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MINISTRY OF FINANCE

सत्यमेव जयते

COST ACCOUNTS BRANCH

REPORT

ON

THE NEW PRICE FORMULA

FOR

PETROLEUM PRODUCTS

MARCH 1959

Report of the New Price Formula for Petroleum Products

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MINISTRY OF FINANCE

(COST ACCOUNTS BRANCH)

Report on the New Price Formula for Petroleum Products

Terms of Reference

1. 1·1 The Government of India, Department of Mines and Fuel, in the Ministry of Steel, Mines & Fuel, informed in May, 1958, the companies marketing petroleum products that they considered it necessary to examine the quantum and propriety of all charges (from f.o.b. point through c.i.f. to the companies selling points) included by them in their selling prices for each product. The oil companies were asked to provide Government with all necessary facilities and information so that at the end of such examination an agreed break up might be arrived at regarding the items to be included in the new price formula and on the quantum of each such item. It was also proposed that the intended examination should be completed within a period not exceeding six months.

1·2 With this end in view, the Chief Cost Accounts Officer, Ministry of Finance, was nominated by Government to examine the above aspects. He was also asked to give his comments in detail on variations, if any, between the composition and quantum of charges, which, in his opinion, might be included in the new price formula and also the composition and quantum as has been included in the selling prices by the companies in the past. Excise duties and taxes on products are to be excluded from consideration in the new price formula.

1·3 For the purpose of this investigation, the Chief Cost Accounts Officer was asked to select representative years in the past, but while doing so, to include one sample year immediately prior to the introduction of the VSA procedure (such as 1948) and one representative year immediately after the introduction of that procedure (such as 1951) in addition to two latest years, *i.e.*, 1956 and 1957. For cost examination, the following six marketing companies were selected by the Government :—

(1) Burmah-Shell Oil Storage & Distributing Co. of India Ltd. (Burmah-Shell).

(2) Standard Vacuum Oil Company, Bombay. (Stanvac).

(3) Caltex (India) Ltd., Bombay. (Caltex.)

(4) Indo-Burma Petroleum Co. Ltd., Calcutta. (I.B.P.).

(5) Burmah Oil Co. (India Trading) Ltd., Digboi. [B.O.C. (I.T.)]

(6) Western India Oil Distributing Co., Ltd. (W.I.C.).

A copy of the terms of reference is given in Appendix I.

2. History of the Companies :

2.1 Burmah Shell Oil Storage & Distributing Co of India Ltd.

General

2·1·1 Burmah Shell was incorporated as a private limited company on the 6th January, 1928 in England with its registered office in London to take over the marketing operations in India of Burma Oil Co. Ltd. (BOC) and the Asiatic Petroleum Company (India) Ltd., which was later changed into Shell Company of India Ltd., a wholly owned subsidiary of Shell Petroleum Company Ltd., All the assets owned by the two companies were taken over by Burmah Shell and further additions thereto since then have been financed on its own account. The gross block was Rs. 22·58 crores and the net block of Rs. 13·52 crores, as on 31-12-1957.

The authorised and paid up capital of Burmah Shell is £ 10 million made up of ordinary shares of £1 each and is held equally by BOC and Shell Transport and Trading Company Ltd., on behalf of the Royal Dutch Shell Group. The management of Burmah Shell is controlled by its Board of Directors through the Managing Director who controls the affairs of the company from London. In India the Board of Directors is represented by the General Manager. The capital employed by the distributing company and the Burmah Shell group of companies is generally financed by the shareholding companies. The activities of Burmah Shell in India are controlled by the General Manager's Office at Bombay. There are four Branches in India, having Divisional offices, Depots, etc. under their control. In 1957, the company had 9 Main Installations, 19 Divisional Offices, 227 Depots, 66 Aerodrome Installations and 3,266 Filling Stations distributed throughout the country.

Burmah Shell is only a distributing agent for its consignors who supply petroleum products in certain agreed proportions. The consignors are :—

1. Burma Oil Company (India Trading) Ltd.
2. The Shell Company of India Ltd., and
3. B. P. (India) Ltd.,

Burmah Shell's marketing area covers India including Jammu & Kashmir except the States of Assam and the former states of Manipur and Tripura which area is reserved for the Assam Oil Company, a wholly owned subsidiary of BOC.

2·1·2 The net sales turnover of Burmah Shell during the three years 1955, 1956 and 1957 was Rs. 101 crores, Rs. 110 crores and Rs. 125 crores respectively. As against this, the profits earned by the company as shown in the profit and loss account, after adjusting for the profits earned in Goa, amounted to Rs. 4·1 crores, Rs. 4·4 crores and Rs. 4·8 crores respectively for these years. The profit related to the capital employed and sales turnover is tabulated below along with the incidence of profit per gallon sold during these years :

Trading Results

	1955	1956	1957
1. Percentage of profit on capital employed	36·65	30·20	31·62
*2. Percentage of profit on turnover .	4·05	4·03	3·87
*3. Incidence of profit per gallon of sale	0·058	0·059	0·060

However, the profit stated above represents the profits earned by the distributing company only, consisting of the commission earned by it and the rent/hire on facilities charged by it to the consignors for the facilities used in the distribution of petroleum products. As such, the profitability ratios stated above would not be comparable to those of the other oil companies in India.

Burmah Shell does not own any stock of oil as it is to the consignor's account. In order to get a correct appreciation of the profits of the company and its trading activity, the capital employed as well as the profit earned by the Burmah Shell group of companies, *viz.*, the distributing company and its consignors will have to be taken together. The profit earned by the Burmah Shell group of companies for the three years 1955, 1956 and 1957 was Rs. 8·8 crores, Rs. 8·6 crores and Rs. 8·1 crores respectively. This profit related to the capital employed by the group and the turnover is given below along with the incidence of profit per gallon sold :

	1955	1956	1957
1. Percentage of profit on capital employed	22·52	19·02	15·75
*2. Percentage of profit on turnover	8·72	7·78	6·43
*3. Incidence of profit per gallon of sale .	0·125	0·115	0·100

In the above computation due adjustments were made for the trading activities in Assam area not coming under Burmah Shells's activities and also those in goa.

(*Excluding international bunker sales and Colas and Wax group since figures pertaining to these were not available.)

2·2 Standard Vacuum Oil Company.

2·2·1 This is a branch of the Standard Vacuum Oil Co. incorporated in New York with limited liability. The Standard Vacuum Oil Co. New York, is a world-wide organisation and the South Asia Division of the company is incharge of the marketing operations in India, Burma and Ceylon. This Division Office(Head Office) is located at Bombay, and the General Manager is in charge of the Division. The South Asia Division of the company was also incharge of the marketing operations in Pakistan till 1955. Although, the administrative control of the marketing activities in India, Burma and Celyon is vested in the General Manger at Bombay, the overall co-ordinating administrative authority over the entire operations in India, *viz.* (*i*) Marketing operations by the Standard Vacuum Oil Company, (*ii*) refining operations by Standard Vacuum Refinery Company of India Ltd., and (*iii*) producing division (for exploration of oil) called the Indo-Stanvac Petroleum Project, is being exercised since 1956 by the General Representative who has also his headquarters at Bombay. The investment on fixed assets stood at an original cost of Rs. 11·19 crores as at the end of 1957. Depreciation so far provided amounted to Rs. 4·40 crores and this leaves the net cost of assets at Rs. 6·79 crores as on this date (value maintained in Dollars converted to Rs. at the current exchange rate). The activities of the company are divided into 4 territories *viz.*, Bombay, Madras, Calcutta, New Delhi, and each territory is managed by a territory manager. In 1957, the company had 9 main installations at the ports of Bombay, Madras, Ernakulam, Calcutta and Kandla. The upcountry distribution of the various petroleum products was done through a net work of about 142 inland relay depots. There are also about 2525 retail pump outlets for distribution of specific petroleum products like Motor Spirit, High Speed diesel Oil, power kerosene and lubricants. There were also 20 Aviation Service Stations in 1957.

General

2·2·2 The company closes its accounts at the end of the December each year and these are made up for the entire Division in India, Burma and Ceylon. The final accounts are maintained in U.S. currency with most of the subsidiary accounts in both U.S. and local currency. As stated in the previous para, this company is only a branch operating in India of a holding company with its head office in New York. As such the balance sheet of the company in respect of India Operations does not show any share capital. The total of the net assets *viz.*, total assets less total liabilities is closed to the Head Office and this is styled as "New York Office account" in the balance sheet of the company. From a study of the financial position of the company for the last seven years, *viz.*, 1951 to 1957, it is observed that the percentages of profit (prior to taxation) earned on capital employed has gone down in 1957 as compared to 1951

Trading Results

and that on sales realisation has remained at the same level as that in 1951. The profits prior to taxation in relation to the capital employed and sales realisation during the last seven years are as under :—

Years	Profit prior to taxation	Percentage of profit on	
		Capital Employed	Sales realisation
	Rs. in lakhs	%	%
1951	211·91	28·6	5·9
1952	297·97	18·5	5·6
1953	396·81	34·0	8·7
1954	408·21	32·7	10·2
1955	322·01	21·0	7·3
1956	310·30	20·1	6·3
1957	328·95	21·4	5·9

The following table shows the comparative incidence per unit quantity sold for the years 1951 to 1957 towards capital employed, sales realisation and profit.

Years	Rate per unit quantity sold		
	Capital employed	Sales realisation	Profit
	Rs.	Rs.	Rs.
1951	0·2972	1·4289	0·0850
1952	0·4756	1·5687	0·0880
1953	0·3956	1·5442	0·1345
1954	0·4774	1·5395	0·1563
1955	0·5034	1·4464	0·1059
1956	0·4630	1·4738	0·0931
1957	0·4041	1·4760	0·0865

The capital employed per unit quantity showed increases over 1951 and was highest in 1955. The realisation rate per unit sale did not show significant variation during the years .The profit earned per unit showed a continuous increase since 1951 till 1954 and thereafter a decline.

2·3 Caltex (India) Limited.

2·3·1 General — Caltex (India) Ltd. is one of the Caltex group of oil companies. This company started operation in India in 1937 by taking over the business of Texas Oil Company. The shares of this company are held by California Texas Corporation and the nominated Directors. This Company is incorporated in Burma Islands.

The share capital of this company was Rs. 26·86 lakhs till 1956. In 1957 this was raised to Rs. 98·15 lakhs. This company obtains oil from its associate, Caltex (U.K.) Ltd., for distribution in India. It has no activity outside Indian Union. In 1957 Caltex Oil Refinery (India) Ltd. was started for processing the crude oil on behalf of Caltex (India) Ltd.

This company has its Head Office in Bombay and has 4 District offices in Bombay, Calcutta, Madras and Delhi. The District offices control the marketing activities of the Company within their jurisdiction. The company has 11 terminals situated in the ports of Bombay, Kandla, Cochin, Madras, Vishakhapatnam and Calcutta. The company has, in addition, 11 sales offices to look after the selling activities of the company situated in Ahmedabad, Indore, Nagpur, Poona, Patna, Jaipur, Lucknow, Bangalore, Coimbatore, Madura and Secunderabad. To handle the oils at upcountry points, there are 74 major depots with 13 minor depots distributed over the entire country. In addition, it has 932 service stations but no airfield facilities. Caltex (U.K.) Ltd. finances the Indian company by supplying goods on credit. The magnitude of these funds had been increasing steadily and was of the order of Rs. 13·71 crores in 1957. The other companies supplying goods to Caltex (India) Ltd. are Caltex Lubricants Ltd., California Texas Oil Company and Caltex Oil Products Company.

The suppliers liability, amounting to nearly Rs. 13·98 crores in 1957, formed the bulk of the total capital employed of Rs. 15·43 crores (according to the company). Out of the total capital employed, the net block amounted to Rs. 5·43 crores and the balance of Rs. 10 crores was represented by working capital. The company adopts its own rates of depreciation. Under the normal income-tax rates, the value of net block at the end f 1957 would be of the order of Rs. 4·81 crores.

2·3·2 The profits before taxation during the past few years in relation to sales revenue and capital employed are indicated below :—

Trading Results

Years	Profit	Profit per gallon sold	Profit as a %age on sales revenue	Profit as a %age on capital employed
	Rs./lakhs	Rs.	%	%
1948 . . .	139	0·1660	13·3	171·8
1951 . . .	119	0·0955	6·3	44·6
1952 . . .	132	0·1026	6·4	32·8
1953 . . .	163	0·1136	7·2	28·6
1954 . . .	271	0·1747	11·1	48·1
1955 . . .	180	0·0995	6·6	23·5
1956 . . .	115	0·0582	3·8	11·0
1957 . . .	92	0·0382	2·5	6·0

It is seen from the above that the maximum profit was earned in 1954 amounting to Rs. 271 lakhs. The profit earned per gallon sold was also highest at Rs. 0·1747 during the same year. The ratio of profit to sales revenue was the maximum in 1948 with 1954 ranking next. The percentage of profit on capital employed was very high in 1948 as a result of the abnormally low quantum of capital employed during that year.

Since 1954, the relationship of profits to the three factors showed a downward trend with 1957 exhibiting the lowest.

2·4. Indo Burma Petroleum Co. Ltd.

2·4·1 This company was originally incorporated in 1909 in Burma for refining petroleum and distribution of the refined products in Burma and the undivided India. In 1942 the company suspended its business in Burma and registered in India. After the Second World War the company resumed its selling activities in Pakistan and Burma. With the approval of the Government of India, the compay is also engaged in prospecting oil in England. The paid up capital of the company is held as under :

General

(*a*) Ordinary shares Rs.	1,00,00,000	60% Foreign 40% Indian.
(*b*) Preference shares Rs.	50,00,000	2% Foreign 98% Indian

The Managing Agents are M/s. Steel Bros. & Co., Ltd., The company entered into an agreement with the Burma Oil Company for markeitng oil products. Under this agreement the company can sell only a limited quantity of the petroleum products on its own account and the sales in excess of this quantity are treated as sales on consignment account on behalf of Burmah Shell at a commission of 2½% on the gross sale proceeds of all consignment sales excepting Light Diesel Oil for which the commission is 1% plus the charges for each function at Burmah Shells rates. In respect of sales in the B.O.C. area (Assam area) the company receives its supplies from the B.O.C. at the latter's rates for any function through which the products pass plus the cost of the products. In this area all the sales are on company's account but the volume of sales is restricted to a fixed percentage of the total sales for I.B.P. and B.O.C.

The head office of the company is situated at Calcutta. There are two branches in India, at Calcutta and Bombay. There is one Branch in East Pakistan at Chittagong and another at Rangoon in Burma. The company has two main installations at Calcutta and Bombay. The company also draws supplies from the Burmah Shell minor installations and depots. There are three main Depots at Calcutta, Lucknow and Delhi.

2·4·2 The total profit (including investment income) of the company covering the entire activities before appropriation for depreciation, taxation and various reserves as appearing in its Profit and Loss Account and dividend declared on the ordinary shares during the years 1948-57 were as under. These profits do not take into account any adjustments in subsequent years with the consignors. These profits include those earned in India, Pakistan and Burma.

Trading Results

Years	Profits (in lakhs)	Percentage of dividend declared
	Rs.	%
1948	51·46	5·93
1951	51·50	10·00
1955	57·86	40·00
1956	50·72	20·00
1957	55·25	20·00

The realisation for sales in India formed about 67%, 69%, 67% and 68% of the total for the four years 1948, 1951, 1956 and 1957, respectively.

2.5 Burma Oil Company (India Trading) Ltd.

General

2·5·1 This company was incorporated in Scotland and is a subsidiary of Burma Oil Co., London. The paid up capital was £5,00,000, composed of 5,00,000 shares of £ 1 each fully paid up, as at 31st December, 1957. The company earned a premium on shares to the extent of £ 2·5 lakhs. The principal office of the B.O.C. (IT) Ltd. in India is in Digboi, which looks after the sales management of the refined products of Assam Oil Company and also their distribution and marketing in the Assam area. There are two Depots directly controlled by it—one in Bhadarpur Ghat and the other in Agartala—besides Depots run by its agents. There is one Depot in Pandu handling Aviation Spirit, distributing aircraft fuel at six airfields. The Branch office in Calcutta deals with the supply of imported products for sale in the Assam area. This company is a consigner for Burmah Shell in the latter's trading activities in the Indian Union, other than Assam territory. There is no main installation for this company in Assam. The main installation at Tinsukia, through which the refined products find their outlet, is owned by the Assam Oil Company, which is a subsidiary of the Burma Oil Company. The financial adjustments for supplies made to Burmah Shell and also for deliveries taken from Assam Oil Company are made by the Burma Oil Company London. B.O.C. (IT) Ltd. does not receive any commission on the deliveries effected to Burmah Shell. This company has a sales agreement with I.B.P. sharing the market for the refined products in the Cachar District of the Assam area. Under similar arrangements with Stanvac and Caltex, the B.O.C. (IT) Ltd. supplies a fixed quantity of motor spirit and kerosene for sale by the latter in the Assam area.

Trading Results.

2·5·2 Without taking into consideration the value of the facilities for storage and installation in Assam owned by the Assam Oil Company and the results of its distributor, *viz*, Burmah Shell, any conclusions on the published accounts will be misleading. In the consolidation of the trading results for the Burmah Shell group of concerns, as the proportionate assets and liabilities of this company are merged, no analysis of the trading results is attempted.

2·6 Western India Oil Distributing Co. Ltd.

General.

2·6·1 The Western India Oil Distributing Co. Ltd. was incorporated as a public limited company on 5th December, 1932, with the object of carrying on business in petroleum products. The Company is managed by its Board of Directors, all Indian nationals.

The authorised capital of the company was Rs 50 lakhs, divided into 47,500 ordinary shares and 2,500 deferred shares of Rs. 100/- each. By a special resolution passed at an extraordinary General Meeting of the company, held on 6th May, 1957, the nominal value of the ordinary and deferred shares was reduced to Rs.25/- each after obtaining the sanction from the Bombay High Court. Hence the authorised capital as on 31-12-1957 was only Rs. 12·5 lakhs against which capital actually subscribed was Rs. 7,13,157/-, till that date.

In addition to the cash advance of Rs. 25 lakhs, the imports of the Petroleum Products by this Company are financed by its present financiers M/s. Naranbhai P. Patel (India) Private Ltd.

Though the Company had initially started its business in 1933, it could not have normal trading activity till about 1957. This was mainly due to various reasons such as the rate war carried on by the other well established foreign oil companies in India, requisition of the company's installations, etc. by the Government for war purposes and the company's own internal troubles.

The W.I.C. has entered into an agreement with "Campaigne Francise Des Petroles", a large French Oil company. As a result of this agreement the Iranian Oil Refining Co. at Abdan supplies oil products to the company and W.I.C. arranges to transport the same by specially chartered tankers to Bombay and Madras Ports.

Trading Results.

2·6·2 The net sales realisation for 1957 was Rs. 43·06 lakhs. This realisation was mostly towards kerosene with a small amount towards motor spirit and High Speed Oil. The profit before taxation amounted to Rs. 2·94 lakhs, which worked out to about 48·56% on the capital employed and 6·84% on the turnover. The incidence of profit per gallon came to Rs. 0·0767.

Method of enquiry.

3. 3·1. Before deciding the question of propriety and the quantum of expenses for the new price formula, it was essential to study the trend of expenses for the four years, 1948, 1951, 1956 and 1957. Cost Accounts Officers were deputed to each of the oil companies to study the data pertaining to the above periods. The accounting procedure of the oil companies was different as also the method of allocation of expenses to different products. Before evolving a price formula all the expenses had to be re-grouped in a more or less uniform manner for the purpose of comparison. The oil companies have categorically asserted that the figures in respect of 1958 and 1951 could not be furnished in as much detail as for 1956 and 1957 due to original records having been destroyed. The information for the two years, *i.e.* 1948 and 1951 was, therefore, accepted to the extent furnished. Details for 1956 and 1957 were, however, collected on a comparable basis.

3·2. Reactions of the oil companies were not very encouraging at the initial stages of the enquiry as many of the details were not supplied in time on the ground that the analysis would consume considerable time and labour as the details had to be collected from the various records. The companies expressed that the method of accounting followed would not lend itself to compile figures in the manner desired. The officers were even questioned by some companies about the relevancy in calling for certain information. Quite a considerable time lapsed before the companies could be persuaded to give as much details as possible in the manner required for the examination. The Chief Cost Accounts Officer had to hold series of meetings with the oil companies to convince them of the necessity of the minimum data for a study into the trend before evolving a price formula. The Ministry of Steel, Mines & Fuel, also had to meet the oil companies on several occasions to impress upon them the essentiality of such data for proper study. The three major oil companies, *i.e.* Burmah Shell, Stanvac and Caltex, supplied information in respect of the years 1948, 1951, 1956 and 1957, which could be considered fair enough for the purpose of the present investigation although this could not be considered complete in all respects. As regards the other three marketing units, the information was supplied to meet a major portion of the requirements.

3·3. For the evolution of a new price formula a proforma was suggested and submitted to the three major oil companies to obtain their reactions in September, 1958. The formula was expected to cover, in addition to refined bulk products, bitumen, lubricants, chemicals and specialities. After a considerable time many objections regarding the impracticability of working were raised on the proposed formula. The companies were subsequently asked to submit their own formula for scrutiny. A revised formula was submitted to the Chief Cost Accounts Officer for his examination on the 20th November, 1958. The formula submitted by the oil companies covered only the following products.

(*i*) Motor spirit
(*ii*) Superior kerosene
(*iii*) Inferior kerosene
(*iv*) Aviation spirit/aviation gas
(*v*) Aviation Turbine fuel
(*vi*) High speed diesel oil
(*vii*) Vapourising Oil
(*viii*) Furnace oil
(*ix*) Light diesel oil

3·4. After detailed discussions the oil companies agreed to include Bitumen also but contended that it would be impossible for them to furnish detailes in respect of lubricant group of products. The factors militating against evolving such a formula for lubricants and chemicals were reported as under in their letter dated 12th December, 1958.

"(*i*) Specifications of the oils are not identical/comparable as between marketing companies. (Some grades sold by some companies have approximate equivalents in the marketing ranges of others but in few, if any, cases are the grades identical).

(*ii*) A pre-requisite in any attempt to group some of the comparable grades would have to be an agreement by all the companies to divulge their respective formulae and for obvious reasons this could not be achieved.

(*iii*) FOB costs of oils vary appreciably over short periods and the sources of supply are many and varied.

(*iv*) Due to the multiple sources of supply the freight element will also vary appreciably. The mode of transport also varies in cases.

(*v*) Duty payments differ according to CIF and the method of assessment and different results emerge company-wise and port-wise.

(*vi*) It is impossible to maintain detailed cost for each individual grade with a further complication of the cost of the package.

(*vii*) The cost of additives varies according to the grade of oil sold and price control by reference to the base oil contents alone would give entirely a false picture."

In addition, other difficulties like innumerable number of distributors, requirements of stock and multiplicity of grades were advanced.

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3·5. As the companies represented that it would not be possible to evolve a formula for each type of lubricants manufactured by them, a fresh proforma was drawn and submitted to the oil companies on 12th January, 1959, categorising the lubircants and greases into the following groups :—(Appendix 3)

(*a*) *Lubricants* :

(*i*) Aero Engine oils.
(*ii*) General machinery oils.
(*iii*) Internal Combustion Engine oils.
(*iv*) Crank, Chamber, Turbine and compressor oils.
(*v*) Steam cylinder oils.
(*vi*) Insulating, Transformer and switch oils.
(*vii*) Gear oils.
(*viii*) Cutting oils.
(*ix*) Axle oils.
(*x*) Liquid paraffin.
(*xi*) Textile finishing oils, and
(*xii*) Other oils.

(*b*) *Greases* :

(*i*) General purpose greases.
(*ii*) Cup greases.
(*iii*) Hard greases for locomotives.
(*iv*) Greases for ropes, etc.
(*v*) Ball and roller bearing greases.
(*vi*) Mineral jelly and petrolatums, and
(*vii*) Other kinds of greases.

3·6 The oil companies again indicated their inability to furnish cost for these groups in their letters dated 15th and 17th January, 1959, and reiterated the reasons advanced earlier. The attitude of the oil companies was discouraging for the evolution of a formula for these products.

3·7 In view of the above it is tentatively decided to defer consideration of these groups of products. However, in determining the quantum of marketing and distribution charges and remuneration to the distributors due share is apportioned for the products not covered by the present formula. This will not only have a controlling effect on the distribution charges but also on the profitability.

4. Price Structure in the past (Valued Stock Account Procedure).

4.1. The basic selling prices for some of the petroleum products marketed in India were governed by an agreement entered into by Burmah Shell with the Government of India in the year 1949. This agreement was known as "Valued Stock Account" (V.S.A.) Procedure. Products covered in this agreement were :—

(*i*) Motor Spririt
(*ii*) Superior Kerosene
(*iii*) Inferior Kerosene
(*iv*) Aviation Spirit
(*v*) Aviation Turbine Fuel
(*vi*) H. S. D. Oil
(*vii*) Vaporising Oil
(*viii*) Furnace Oil
(*iv*) Light Diesel Oil

4·2 According to the valued Stock Account the c.i.f. prices of the products were taken as if imported from a fixed point, which had been Abadan since 15th June 1957. All imports were valued at C.I.F. rates applicable on the date of loading at the Port. However, the supplies received from the local refineries during a particular month were considered as if loaded at the foreign port on the 15th of the previous month. Ocean Loss was taken at the actuals for the year, except for Furnace Oil and Light Diesel Oil for which 0·75% was fixed.

4.3 The C.I.F. cost of products arrived at as above plus the cost of losses applicable upto the V.S.A. points plus charges from C.I.F. upto such points, including the import duties and remunerations at the agreed rates was the basic selling price of each product at the respective V.S.A. points depending upon the products. The basic prices thus calculated at the V.S.A. points were subject to revision from time to time. The details of the V.S.A. calculations were as under :—

1. F.O.B. Cost
   +Ocean Freight,
   +Insurance,
   +Ocean Loss=Total C.I.F.cost
2. Remuneration at 10% on C.I.F. cost.
3. Import duties including Penalty duties, if any.
4. Interest and Del credere at 2½% on duties.
5. Charges from C.I.F. to V.S.A. point.
6. A further remuneration at 10% on all post C.I.F. charges, excluding Import duties, railway freight, local duties and taxes, rent/hire on facilities, cost on packages, Bonus and other sepecifically mentioned items in the agreement.

4.4 V.S.A. point prices (excluding local duties and taxes) in force from time to time during the year were applied to the sales at those points. The difference between the actual cost together with the remunerations on the V.S.A. basis and the actual prices realised at these points represented the V.S.A. surplus or deficit to be adjusted in the subsequent price revisions. The intention of such periodic adjustments was that the actual prices worked out on the basis of the V.S.A. formula would be recovered from or paid back to the market.

4.5 The prices so evolved by Burmah Shell were notified to be the basic prices in the respective points. These prices were followed by all marketing companies.

4.6. This agreement of Burmah Shell with the Government of India was terminated with effect from 20th May, 1958.

5. Break-up of the price formula.

5·1 The break-up of the price formula as evolved and agreed to for the bulk refined products enumerated in para 3 is broadly grouped as indicated below.

Bulk products

5·1·1 Under the agreement the oil companies have entered into with the Government of India in the establishment of oil refineries in India, the prices to be evolved for deliveries of refined products ex-refinery should be based on import parity.

Group (1) Land cost of product.

A portion of the refined products is met from the local production, the balance of the demand being supplemented through imports. It is therefore necessary that the petroleum products covered by the formula should take into consideration the import parity prices.

The landed cost of the products is therefore broken up as under :

(*i*) *F.O.B.*:

F.O.B. quotation for each product from a representative source of import.

(*ii*) *Marine Freight*:

Ocean freight from the source of import to the various Indian ports ; freight rates being determined on the basis of a representative structure.

(*iii*) *Insurance* :

To include only marine insurance in the absence of any emergency recognised by the Government. The rates and the basis of the insurable value to be evolved taking into account the actuals in the past for all the oil companies.

(*iv*) *Ocean Loss :*

The difference betw een the average temperature at the port of loading and the mean temperature at the Indian ports and loss in transit. The percentage of the above to be determined on the past experience of the Oil companies.

(*v*) *C.i.f.*:

The total of the foergoing items.

(*vi*) *Customs duty* :

Customs duty either at the specific rates or as a percentage *ad valorem* as the case may be.

(*vii*) *Wharfage or river dues* :

Scheduled wharfage or river dues chargeable by the Port authorities at rates current from time to time.

(*viii*) *Other compelled landing charges* :

Charges towards pumping, customs, supervision, etc., based on time factor. Chargeable by Port Authorities on all India average.

(*ix*) *Total landed cost* :

The foregoing constitutes the total landed cost at the individual port depending upon the incidence in each port.

Group (2) Marketing and Distribution Cost.

5·1·2 The second group in the formula represents the marketing and distribution charges other than the landed cost. These charges are incurred either at the main installation/terminals or upcountry. These charges are bifurcated into those applicable to sales at (*a*) main installation/terminals, and (*b*) at points other than installations/terminals.

(*i*) *Terminal expenses* :

The expenses for receiving and storing the products in the terminals or installations, the operations and maintenance of these main storage facilities, and handling and loading the products in bulk along with the filling in charges for other than 4 I-G. tins.

(*ii*) *Administrative and Management expenses* :

Expenses of the local offices and also the proportionate share of the expenses of the overseas head office.

(*iii*) *Distrubition charges* :

Distribution charges towards delivery, storage depot, transhipment and maintenance, station operation and maintenance, advertising and sales office.

(*vi*) *Airfield charges* :

The operation and mainteancne of the facilities at the air-fields.

5·1·3 The third group of charges :

Group (3) Packages differential.

Applicable to sales in 4 I-G. tins in the case of Kerosene towards the cost of container and filling in expenses.

5·1·4 The fourth group :

Group (4) Remuneration.

Remuneration.

5·1·5 The fifth group :

Group (5) Commission and allowances.

Fixed commission and allowances wherever applicable.

5·1·6 The break up in the price formula as aforesaid does not include items like

(*i*) Railway freight for movement of products from one storage point to another storage point or selling point.

(*ii*) Local duties and taxes leviable by Government or municipalities.

These two items are to be added to the base price wherever applicable.

5·1·7 The price formula is indicated in Appendix II.

6. Views of the Oil companies and the basis adopted for determining the charges.

Terminal or Installation charges.

6·1 As far as possible, allocation of these charges are made specifically to products depending upon the incidence. Charges of a common nature, *i.e.*, general expenses (*i.e.*, the total of expenses which are not capable of direct allocation) have been allocated on the basis of the realisation of all products passing through the installations. The views of the companies were that no allocation of indirect charges should be made to the International business (Tanker buyers). This has not been accepted and due share is taken for this type of business also. No differentiation is made for the location of the installation/terminal and the incidence is arrived at on an all India basis.

Administration Expenses.

6·2 The allocation of these charges to products is effected in the ratio of the all India realisation for the product to the total all India realisation for all products.

The Oil companies represented that the international sales (bunker sales) should not bear proportionates charges on the ground that (i) these were being secured by their associates overseas without any effort on the part of the local administration, (ii) no supervision was done locally and if at all any service was given it was very insignificant, (iii) the prices negotiated being competitive in the international market, if the Indian prices were not really attractive, there would be a switch over to the nearly competitive installations, and (iv) the direct charges were already borne by such type of business.

Taking into account the above factors suitable adjustment is made towards these charges. The incidence is on an all India basis.

Distribution charges.

6·3 These charges are made direct where practicable and expenses of an indirect nature are debited to all products passing through the depots on the basis of their realisation. Here also the all India average is the basis.

Airfield charges.

6·4 The allocation of charges is based on the throughput through the airfields. The companies contended that the airfield charges had to be differentiated between those pertaining to the international and other airfields. As the throughput through other airfields would be much smaller than that through the international airfields the lower incidence per unit at the latter should not deflate the incidence at the other airfields. In the absence of such a differential the oil companies envisaged the likely possibilities of the international sales dwindling down. There had been no such different treatment in the past in the charges applicable to the airfields. The industry's views do not therefore, stand with the past practice, as is understood from them. Hence the industry's contention is not accepted in the determination of airfield charges. Only an all India average incidence for all airfields has been fixed.

Uniform incidence of charges for automotive fuels and aero fuels.

6·5 The companies were of the view that the installation/terminal and other charges for Motor Spirit and High Speed Diesel Oil representing the automotive fuel should be averaged to give a uniform incidence. Similar treatment was suggested for Aviation Spirit and Aviation Turbine Fuel or in other words the post-c.i.f. charges for these two types of fuels should be the same, on the ground that the routing and handling of these two groups of products are more or less identical.

In the terms of reference to the C.C.A.O. it was mentioned that he should also analyse and report on the manner in which indirect charges, which could not be specifically allocated to particular products, had been so far allocated by the companies in the past between the products so as to enable the Government to make such allocation in the proposed new price formula with a view to influencing the future consumption pattern in this country. The method of allocation of the indirect charges to the various petroleum products is outlined later in the Report. The allocation of these indirect charges is expected to influence the future pattern of consumption only in Motor Spirit and High Speed Diesel Oil in automotive fuels and Aviation Spirit and Aviation Turbine Fuel in aero-fuels. It has been noticed that the sale of motor-spirit is almost static with a tendency, if at all, to decline while the sale of H.S.D. is continuously increasing. Similarly, the demand in aviation spirit shows a down-ward trend while that of aviation turbine fuel an increase. The indigenous production of Motor Spirit has outstripped the present demand while H.S.D. is yet to be imported to a major extent to meet the gap between the ever increasing demand and the indigenous short supply. Both aviation Spirit and A.T.F. are imported. The indigenous production in regard to the latter is very small. It is, therefore, considered that the allocation of the indirect charges to these products, especially between Motor Spirit and High Speed Diesel Oil should be such as to influence the lower consumption and inhibit the future demand of High Speed Diesel Oil *viz-a-viz* Motor Spirit. As regards the aero-fuels the increasing demand towards Aviation turbine Fuel is welcome as the C.I.F. price of Aviation Spirit is much larger than for Aviation Turbine Fuel. The gradual increase in the Aviation Turbine Fuel is bound to reduce the drain in foreign exchange.

Based on the latest trend in 1958 and the anticipated sales in 1959 the following will reveal the position for the three major oil distribution companies:—

	1958	1959	1958/59
	Lakh gln.	Lakh gln.	Lakh gln.
Motor Spirit	2,297	2,192	4,489
High Speed Diesel Oil	2,335	3,026	5,361
Aviation Spirit	237	243	480
Aviation Turbine Fuel	291	486	777

From the foregoing it will be seen that the pattern of sales in 1958 and 1959 in the automotive fuels will be about 45% Motor Spirit and 55% High Speed Diesel Oil with Motor Spirit almost static and High Speed Diesel Oil increasing appreciably. The position of aero-fuels is almost similar, Aviation Spirit assuming 38% and Aero Turbine Fuel 62% of the total aero-fuels with Aviation Spirit almost static and Aero Turbine Fuel increasing appreciably.

The marketing and distribution charges and remuneration as a mark-up on the landed cost (as suggested by the companies), are much lower for High Speed Diesel Oil than Motor Spirit. Averaging these two elements means the deflation of the charges and remuneration for Motor Spirit and inflation for High Speed

Diesel Oil. Increase in sales of High Speed Diesel Oil would result in a larger recovery in charges and remuneration in the new price with a consequential lower recovery in Motor Spirit. As the demand for Motor Spirit is almost static the net effect will be an over-recovery in charges and remuneration in High Speed Diesel Oil which is progressively increasing.

It is, therefore, recommended that there should not be any levelling of charges and remuneration between Motor Spirit and High Speed Diesel Oil. The same reasoning applies to the two Aviation Fuels.

6·6 Extra differentials claimed by the industry

Handling Filling charges of supplies of products in 2 IG petrol cans.

6·6·1 The industry claimed an additional differential over the basic bulk price for drawing supplies from main installations/terminals and the company operated depots to cover the extra handling and filling in expenses—such specific recoveries being credited to the depot operation expenses. The present price pattern enjoys a differential and the quantum was fixed on an *ad hoc* basis. No such differential is favoured in the proposed • future formula, as it is difficult to assess the quantum.

Depot charges.

6·6·2 The companies suggested a depot charge for the buyers of products like kerosene, vaporising oil, light diesel oil and furnace oil, ex-up-country depots who take advantage of the depot facilities—such specific recoveries to be credited back to depot operating expenses. What the quantum should be is difficult to establish. It will also be adminstratively difficult to control such credits. This suggestion, if implemented would deprive the small consumers of the benefit of depot facilities which is not desirable in the interests of retail trade, which is an accepted form of distribution especially in kerosene.

Filling charges for containers below 50 gallons for inclusion in upcountry selling prices.

6·6·3 The marketing companies proposed that buyers drawing supplies from company operated depots in their own containers should pay a filling charge at a gallonage rate for containers less than 50 gallons capacity—such specific recoveries being credited to depot operation expenses. It is not considered desirable to introduce differentials at all stages for minor operations and complicate the pricing formula.

F.O.R. M.I. price applicable only to the sales for D.G.S.&D.

6·7 In the proposed formula the oil companies desired that any price evolved at the main installaion/terminals should be applicable only to the D.G.S. & D. and other Government purchases. When a price is fixed for sales F.O.R.M.I., it should normally be applicable to all customers who take supplies at the installation/terminal. Under the terms of reference the prices of petroleum products are to be fixed for the country and not for any class of customer. The oil companies also represented that no other class of customers, other than D.G.S.&D. was given the benefit of the F.O.R. M.I. rates and hence no fear was apprehended by the oil companies if the F.O.R. M.I. rates were fixed irrespective of the class of customers. It is proposed that the prices evolved at the main installation/terminals should be applicable to all sales effected at these points.

Power alcohol and Benzol in motor spirit.

6·8 The oil companies desired the exclusion of power alcohol and benzol mixed with motor gasolin for the absorption of marketing charges. Some companies were taking the value of power alcohol and benzol as material cost. The marketing and distribution charges incurred were for the entire quantity sold as motor spirit and hence the quantity of motor spirit sold should include power alcohol and benzol mixed therein. Even though this suggestion would have some repercussion in the terms of the agreement of the oil companies with the Central Government regarding the reimbursement towards the cost of power alcohol and benzol, this would have to be taken up as a separate issue altogether. Moreover, the quantities would vary depending upon the circumstances. Hence it is decided to take the all India marketing charges for the distribution of motor spirit and not motor spirit exclusive of power alcohol and benzol. The oil companies desired that they should be assured of the full recovery of their legitimate charges before reimbursement of the price of these two products to the Government.

4 IG Packed Bulk Differential.

6·9 In the existing price pattern the differential for this item represents only the cost of the containers and the filling in expenses. Of course, the manufacturing cost of 4 IG tins includes the overheads, for manufacture. The industry claimed that unless the overheads for filling in operation and storing, pertaining to the packed tins, were taken into account the final figure would not represent the real differential. The allocated charges to these containers would of course be credited to the other charges. This differential mainly applies to kerosene among the refined formula products. As the class of consumers for this product belongs mainly to the lower strata, no further inflation in the allocation of charges should influence the existing pattern of prices. On this ground the industry's contention is not agreed to and it is decided to maintain the differential for the cost of containers and filling in expenses only as in the past.

7. Trend of Expenses from 1948 to 1957

General.

7·1·1 In accordance with the terms of reference a study into the charges from 1948 to 1957 has to be made. As the accounting procedure and the basis of allocation of marketing and distribution charges, as stated earlier, differ among the companies no uniform method can be devised for comparing the trend between them. The accounting procedure has been almost the same within each company for all the years under review. Hence it has been possible to compare the trend of charges for each company individually from 1948 to 1957. To achieve this objective the following procedure is followed. From the overall marketing and distribution charges (for all products) as compiled by each company, according to the various functions, the incidence per unit quantity of all products marketed is determined *vide* statement No. 1 these charges are thus grouped into (*a*) statutory charges like Customs Duty and Wharfage, (*b*) Distribution charges other than depreciation on assets but inclusive of administrative and management expenses (other charges), (*c*) depreciation on assets and (*d*) expenses like railway freight, commission and allowances, etc. A further attempt has been made to group the total marketing and distribution charges excluding statutory charges, railway freight, commission and allowances into (*i*) Terminal, (*ii*) Administration, (*iii*) Distribution, (*iv*) Airfield and (*v*) Depreciation. This analysis for the major companies for the years 1948/57 is given in statement No. 2. The entire marketing and distribution expenses in the case of Stanvac, Caltex, I.B.P. and B.O.C. (IT) are analysed further into the various elements of cost together with their incidence per unit of all products. The details are furnished in statement No. 3. This analysis has not been possible for Burmah Shell for want of details except only under functions.

Burmah Shell charges rent/hire on facilities as an item of expense to cover depreciation on fixed assets and interest on such capital investments in accordance with the terms of agreement with its consignors. In this analysis depreciation at normal Income-tax rates is substituted for this item. In the case of others the figures as shown in their books are adopted as the difference between the depreciation at normal Income-tax rates and companies' own figures is not significant as to vitiate the comparison of the trend.

In comparing the trend of expenses for all the companies for the years 1948, 1951, 1956 and 1957 on the basis of functions, the unit incidence was arrived at by adopting the total sales quantity of all products shown in the company's accounts, as the divisor. It is no doubt true that the total sales quantities do not represent the correct divisor for all the functions since all the products do not pass through all the functions. The impact of expenses would depend not only on the sources at which the Sales were effected (either at the installation or upcountry depots or airfields as the case may be) but also on the pattern of sales among the various petroleum products. It is further seen in the analysis of expenses for upcountry storage depots and retail pump outlets that with an increasing volume of demand a greater proportion of the bulk products passed through the upcountry storage/retail points. The expenses for these two functions formed only about 15% on an average of the total marketing and distribution expenditure. The adoption of the all India sales as the divisor for comparing the trend will not alter the final conclusions. As the pattern of sales among the products for the years 1948 to 1957 did not violently vary, the comparison on the basis of all India sales will not bematerially vitiated. The two functions wherein the results would be vitiated only to a limited extent by using the total sales quantity as the divisor are indicated below—

(*i*) The products which generally pass through the service stations are motor spirit, high speed diesel oil, automotive lubricants and greases. A comparative study into the trend of charges should, therefore, be effected for this function by using the sales quantities of these products through the filling stations. An attempt has been made in this direction in the case of Stanvac and Caltex and necessary comments are given in the relevant paragraphs. Since similar data were not readily available for Burmah-Shell, such a study could not be made.

Service & filling station Retail pump outlets

(*ii*) As in the case of retail pump outlets, all products do not pass through the upcountry depots; as such it would not be correct to compare the unit costs arrived at by using the total sales quantities of all products as the divisor. For Stanvac and Caltex, the actual expenses incurred at the depots have been related to the actual through-put from the depots. Necessary comments are offered on the variations at the appropriate paragraphs. For Burmah-Shell, similar data was not available for all the four years for a similar study.

Inland Relay Depots/Upcountry Depots.

In the absence of a appropriate divisors for each function for all the four years for all the companies the total sales quantity as exhibited in the companies' accounts has been adopted in finding out unit costs for the sake of uniformity. These unit costs are intended to indicate the trend of expenses during the four years for each of the companies.

7·1·2. As charges like Customs Duty, Wharfage and harbour dues are beyond the control of the marketing companies and periodically revised by the actions of the Government or Port Authorities, comparison among the years may not serve any useful purpose for the fixation of quantum. The distribution expenses like railway freight, commission and allowances forming part of compulsory costs are also excluded from the comparison. The latter details are not available from all the companies except Burmah Shell. The other distribution charges mainly comprising of Terminal operation, Depot operation and station operation, which are within the control of the companies, deserve a careful study. Depreciation element included in these functions is segregated. The following are the observations.

Observations of the trend.

7·2. Burmah Shell

7·2·1. As against a unit incidence of Rs. 0·2879 in 1948 the incidence in 1956 went up to Rs. 0·386 showing an increase of about 34% and in 1957 it was Rs. 0·4187, *i.e.* an increase of 45% over 1948. The Customs Duty which formed a significant part in this was raised by the Government from time to time and such increases were appreciable in certain products with the result the incidence showed substantial increases. These charges depended also upon the pattern of the products marketed.

Statutory Charges.

7·2·2. The increase in the unit incidence for all products showed 34% in 1956 and 35% in 1957 for an increase in the volume of sales of 127% in 1956 and 144% in 1957 over 1948.

Other Charges.

7·2·3. This item too marked an increase of about 138% and 153% in 1956 and 1957 over 1948. For the increased activity the fixed capital additions since 1948 amounted to Rs. 14·5 crores till 1957 and the incidence of the written down value of block in 1948 was Rs. 6·73 per 100 gallons of products while in 1957 it was Rs. 14·20 per 100 gallons.

Depreciation

Some of the assets whose written down values at the end of each year contributed for this increase are indicated below with the incidence of each per 100 gallons.

Assets	1948	1951	1956	1957	Increase over			
					1948		1951	
					in 56	in 57	in 56	in 57
	Rs.	Rs.	Rs.	Rs.	%	%	%	%
(*i*) Buildings	2·74	2·57	4·53	4·57	65	67	76	78
(*ii*) Plant & Machinery	0·40	0·43	1·18	1·24	195	210	174	188
(*iii*) Tank & Pipe lines	1·07	1·15	3·77	3·85	252	260	228	235
(*iv*) Sundry outfits	0·23	0·30	0·74	0·72	221	213	147	140
(*v*) Petrol & HSD pumps	0·20	0·50	1·83	1·98	815	890	266	296
(*vi*) Others	2·09	2·34	2·07	1·93	(—)1	(—)8	(—)12	(—)18
ALL ASSETS	6·73	7·29	14·12	14·29	110	112	94	96

Assets in respect of petrol and H.S.D. pumps render service mostly to automotive fuels. If these assets are related only to motor spirit and H.S.D. oil then the incidence would be as under :

Year	Per 100 galls.	Increase over 1948	Increase over 1951
	Rs.	%	%
1948	0·77	..	..
1951	1·53	99	..
1956	6·27	714	310
1957	6·89	795	350

From the above it can be seen that the written down values in 1957 showed an increase of 112% over 1948 and 96% over 1951. But the increase in the depreciation quantum per unit registered higher percentages. This was on account of the fact that the increase in the assets ranking for higher rates of depreciation was more substantial than that for lower rates.

7·2·4. **Functionwise variations.** The marketing and distribution charges for these four years are grouped under the following heads with the variations in the incidence per unit (Statement 2).

	1948	1951	1956	1957	% Increase over			
					1948		1951	
					in 56	in 57	in 56	in 57
Volume of sales	100%	174%	227%	244%	127	144	30	40
	Rs.	Rs.	Rs.	Rs.				
(*i*) Installation	0·0362	0·0338	0·0461	0·0434	27	20	36	28
(*ii*) Distribution	0·0330	0·0341	0·0558	0·0568	69	72	64	67
(*iii*) Administration	0·0582	0·0546	0·0688	0·0721	18	24	26	32
(*iv*) Depreciation	0·0053	0·0063	0·0126	0·0134	138	153	100	113
	0·1327	0·1288	0·1833	0·1857	38	40	42	44

It can be seen from the above that the increase in the incidence per unit volume in 1957 was spectacular in distribution and depreciation in spite of an increase of 144% in volume over 1948. The increase in the overall incidence of these charges showed 40% and 44% in 1957 over 1948 and 1951 in spite of an increase in volume of 144% and 40% respectively. Had it not been for the increase in volume, the incidence of the expenses in 1957 on the volume of 1948 and 1951 would show an increase of about 240% over 1948 and about 100% over 1951. These percentages are indicated only to reveal the increase in the volume of expenses relation to the increase in the volume of sales to compare with the other companies. These increases were the cumulative effect of the increases under various functions over 1948 and 1951 *vide* statement No. 1. Some of the major functions are indicated below :—

	Incidence per unit of all products		Increase over 1948		Increase over 1951	
	1956	1957	in 56	in 57	in 56	in 57
	Rs.	Rs.	%	%	%	%
(*i*) Filling & reconditioning	0·0085	0·0075	63	44	44	27
(*ii*) Depot expenses	0·0233	0·0246	46	54	26	33
(*iii*) Service & filling stations	0·0073	0·0078	462	500	711	767
(iv) Advertising	0·0019	0·0019	1800	1800	73	73
(*v*) Other selling charges	0·0028	0·0009	460	80	460	80
(*vi*) Delivery charges	0·0139	0·0159	58	81	64	87
(*vii*) Depreciation	0·0126	0·0134	138	153	100	113
(*viii*) Others	0·1130	0·1137	18	19	30	31
	0·1833	0·1857	38	40	42	44

Individual product variances towards "other charges and depreciation."

7·2·5. Almost the same conclusions are arrived in the case of the individual products. The variations among the individual products depend upon the extent of service rendered each of the functions.

The following will show the variation in the overall incidence per unit towards "other charges" and depreciation over 1948 and 1951 for some of the formula products.

	Incidence per unit		Increase over 1948		Increase over 1951	
	1956	1957	in 56	in 57	in 56	in 57
	Rs.	Rs.	%	%	%	%
(*i*) Motor spirit	0·3219	0·3204	53	53	56	55
(*ii*) H.S.D. oil	0·1910	0·2172	49	69	108	137
(*iii*) L.D. oil	29·4157	28·8377	64	61	23	83
(*iv*) A.T. Fuel	0·1614	0·1265	..	..	169	111
(*v*) Furnace Oil	13·2316	12·2214	53	42	62	50
(*vi*) Kerosene	1·1666	1·1416	15	12	31	28

More significant increase was noticed especially in the case of Motor spirit, High Speed Diesel Oil and Aviation Turbine Fuel. In addition to the general overall increase in the various functions, "Service and Filling Station", a specific function for motor spirit and High Speed Diesel Oil, which recorded the highest increase, barring advertisement, was mainly responsible for this steep increase. In the case of Furnace Oil the increase was more due to the increase in "Packed Filling and Reconditioning", "Depot Expenses" and "Selling Charges". In the case of A.T.F. the functions responsible for increase were depot expenses, aerodrome facilities and delivery charges.

7·3 Standard Vacuum Oil Company.

7·3·1 From the analysis of the marketing and distribution expenses maintained by the company similar computation as for Burmah Shell could not be made. However, it was possible to study the trend of charges comprising of "Terminal Operation", "Distribution" and "Administration". These charges are related to unit volume of sales of all products during these four years and indicated below, (*vide* statement 2).

	1948	1951	1956	1957	Increase over 1948		Increase over 1951	
					in 56	in 57	in 56	in 57
					%	%	%	%
Volume of sales	100%	145%	194%	221%	94	121	34	53
Terminal/Installation Rs.	0·0231	0·0246	0·0266	0·0244	15	6	8	—1
Distribution Rs.	0·0468	0·0474	0·0605	0·0618	29	32	28	30
Administration Rs.	0·0554	0·0695	0·0838	0·0739	51	33	21	6
Depreciation Rs.	0·0058	0·0081	0·0163	0·0167	181	188	101	106
	0·1311	0·1496	0·1872	0·1768	43	35	25	18

It can be seen from the above that the increase in the incidence per unit volume was substantial under depreciation. The variations under Distribution and Administration were also significant during 1957 in spite of the increase in volume by 121% over 1948 and 53% over 1951. Had there not been any increase in the sales volume in 1957 over 1948 the incidence of the 1957 expenditure on the volume of sales in 1948 would show an increase of about 198% over 1948 as against 240% in Burmah Shell. A similar reading for 1957 over 1951 would show an increase of only 80% as against 100% in Burmah Shell. The written down value of fixed assets (including assets used for manufacturing) for 100 gallons came to Rs. 15·984 in 1957 as against Rs. 5·064 in 1948 showing an increase of 216%. The increase in 1957 over 1951, *i.e.* Rs. 5·944 per 100 gallon, came to 169%.

7·3·2. Function-wise variations (*vide* statement No. 1) The above increases were generally attributed to the following functions where the variations over 1948 were significant.

Functional heads	Incidence per unit of all products		Increase over 1948		Increase over 1951	
	in 56	in 57	in 56	in 57	in 56	in 57
	Rs.	Rs.	%	%	%	%
(*i*) Returnable steel barrel	0·0048	0·0036	243	157	380	260
(*ii*) Division office/Territory office.	0·0736	0·0600	68	37	34	10
(*iii*) Advertising	0·0066	0·0049	267	172	100	49
(*iv*) Salesman	0·0082	0·0089	64	78	30	41
(*v*) Retail pump outlets	0·0105	0·0118	218	258	123	151
(*vi*) Inland Relay depots	0·0176	0·0174	11	10	47	45
(*vii*) Depreciation	0·0163	0·0167	181	188	101	106
(*viii*) Others	0·0496	0·0535	(—)8	(—) 1	(—)16	(—)10
TOTAL	0·1872	0·1768	43	35	25	18

7·3·2·1. Division/Territory office This is to be treated more of a fixed nature. Instead of resulting in a lower incidence for an increasing volume of sales this item showed an increase over 1948 and 1951. Of course, the incidence in 1957 was lower than in 1956. This is an item in which the increase was not justified.

7·3·2·2. Inland Relay Depot: An attempt was made to analyse the total expenses as shown by the books for this function for the four years in relation to the throughput and the total all India sales.

Year	Expenses without depreciation	Through-put	Incidence per unit through-put	Total all India sales	Unit incidence of all India sales	Ratio of thru-put to all India sales
	Rs./lakhs	lakh/gals.	Rs.	lakh/gals.	Rs.	%
1948	27·13	912·61	0·0297	1721·36	0·0158	53·02
1951	29·69	1641·29	0·0181	2492·32	0·0120	65·85
1956	58·59	2913·53	0·0201	3333·62	0·0176	87·40
1957	66·22	3351·17	0·0198	3803·56	0·0174	88·11

It can be seen from the above that even though the incidence for this item on the all India sales showed increase in 1956 and 1957 over the earlier two years, the incidence per unit of throughput showed increase over 1951 only and decrease from 1948. The proportion of the throughput to the all India sales had been continuously increasing since 1948. The proportionate sales effected through the net-work of upcountry depots assumed larger proportions than the increase in the volume of all India sales. However, in the absence of full particulars of the number of depots, their individual throughput and volume of expenses separately for the four years (which the company could not furnish), no further comment can be offered on this item. It was not also possible to come to any conclusion whether the new depots were comparatively as economical as the old depots.

7·3·2·3. Retail Pump outlets This function showed the maximum increase with a significant incidence per unit sale. As for 'Inland Relay Depots', a comparison of the expenses in relation to the sales is made and indicated in the accompanying table.

Year	No. of Pumps	Expenses without Depreciation	Average expenses per pump	Sales volume through pumps	Sales volume through pumps as % on all-India sales volume	Average sales volume per pump	Incidence per unit of sales of all products	Incidence per unit of sales for pump products only	Increase in incidence per unit of sales for pump products	
									over 1948	over 1951
		Rs./lakhs	Rs.	lakh/gals.	%	IG	Rs.	Rs.	%	%
1948	691	5·749	832	270·11	16	39,091	0·0033	0·0213	..	..
1951	752	11·816	1,571	579·99	23	77,126	0·0047	0·204	(—) 4	..
1956	2,221	35·182	1,584	806·99	24	36,335	0·0105	0·0436	100	114
1957	2,525	44·941	1,780	916·07	24	36,280	0·0118	0·0490	130	140

The incidence in 1951 per unit of sale was lower than that in 1948. The average expenditure per pump showed a gradual increase over the previous year. But the average sales per pump registered the maximum in 1951 with a decline in 1956 and 1957. The increasing expenditure per pump in the latter years was not followed by a corresponding increase in the volume of sales. It is very difficult to justify the increase in the number of pumps especially when the average off-take dropped continuously. It is not known whether the company ever thought of the economics of the new pumps before installing them. Each of the Oil companies was keen only in increasing the number of pumps without examining the ultimate cost to the consumer, presumably because Burmah-Shell, as a price leader, would naturally have taken care of the extra cost on this account in its V.S.A. Agreement with Government.

7·3·3. The unit incidence for the individual products is as follows :—

Individual product variances towards other charges and depreciation (*vide* Stt, No. 2)

Products	Unit	Incidence per Unit		Increase over 1948		Increase over 1951	
		in 1956	in 1957	in '56	in '57	in '56	in '57
		Rs.	Rs.	%	%	%	%
(*i*) Motor Spirit	IG	0·2940	0·3050	93	100	20	24
(*ii*) Kerosene	8IG	1·5536	1·5352	20	18	8	7
(*iii*) H.S.D. Oil	IG	0·2412	0·2550	138	152	709	756
(*iv*) L.D.O.	Ton.	7·0705	9·5827	(—) 63	(—) 50	(—) 21	8
(*v*) Furnace Oil	Ton.	8·9464	6·2571	71	20	52	6
(*vi*) Bitumen	Ton.	38·3276	46·1248	80	117	522	648

As for Burmah-Shell, the increase in Motor Spirit and H.S.D. Oil was mainly due to the 'Retail Pump Outlets' specifically intended for the automotive fuels in addition to the general increases in other functions. While the incidence for a number of functions in 1957 was generally lower than in 1956 as a result of increased volume of sales that for "Retail Pump Outlets" recorded a substantial increase in 1957. The increase in the case of "Furnace Oil" was contributed more by functions like 'Inland Relay Depots'. However, this product showed a significant decrease over 1956 due to increased volume.

7·3·4. **Elements-wise variation** (*vide* statement No. 3) The marketing and distribution expenses other than the statutory and compelled costs like Customs Duty, Wharfage, Railway freight, etc. are analysed according to elements of cost. These are shown in statement No. 3.

The overall incidence per unit volume of sales of all products came to :

Rs. 0·1311 in 1948
Rs. 0·1496 in 1951
Rs. 0·1872 in 1956
Rs. 0·1768 in 1957.

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The incidence in 1957 showed an increase of 35% over 1948 and 18% over 1951.

Some of the elements wherein the variations in the incidence per unit volume were significant from 1948 and 1951 are indicated below :

	Incidence		Increase			
	in 1956	in 1957	over 1948		over 1951	
			in 1956	in 1957	in 56	in 57
	Rs	Rs.	%	%	%	%
(*i*) Salaries & wages	0·0745	0·0593	51	21	17	—7
(*ii*) Maintenance, repairs & supplies . . .	0·0198	0·0208	151	163	60	67
(*iii*) Advertising	0·0066	0·0049	267	172	94	44
(*iv*) Sundries	0·0114	0·0108	73	64	63	54
(*v*) Travelling and motor car expenses . .	0·0109	0·0116	33	41	60	71
(*vi*) Rent	0·0058	0·0055	66	67	132	120
(*vii*) Depreciation	0·0163	0·0167	181	188	101	106
(*viii*) Others	0·0419	0·0472	—13	—2	—9	3
Total of all elements	0·1872	0·1768	43	35	25	18

7·3·4·1. **Salaries and wages** This element formed the largest, *i.e.* about 35% of the total marketing expenses. This item showed a reduction in 1957 compared to 1956 on account of less than proportionate increase in the expenditure. The absolute total showed a decrease in 1957 compared to 1956 as a result of some of the foreign personnel being repatriated and a general reduction in the total number of employees including casual labour. The average emoluments per head excluding provident fund and house rent allowance for the four years were :

1948	Rs. 163 man/month
1951	Rs. 234 ,,
1956	Rs. 404 ,,
1957	Rs. 397 ,,

The increase in the number of employees in 1956 and 1957 was about 471 and 338 over 1948. The entire staff split up into the various categories was as under :

	1948	1951	1956	1957
Management	428	526	782	806
Clerical	1020	1147	1259	1218
Labour	3215	3598	3363	3299
Temporary labour	338	414	68	16
TOTAL	5001	5685	5472	5339

From the above it could be seen that the labour force in 1956 and 1957 was lower than 1948 and 1951. In the case of clerical staff the increase was not substantial and even a slight increase would have been warranted consistent with the increase in volume over 1948 or 1951. But the management staff was almost double in 1957 over 1948 and 160% of 1951.

The average emoluments in 1957 showed an increase of more than 100% over 1948 and 70% over 1951. It is understood that the level of wages in the lower categories of staff, *viz.* labour and clerical was increased in consonance with the cost of living index. This should not have accounted for such a sharp increase of about 70% on the average emoluments within a period of about 6 years. It may be the result of the increase in the management staff coupled with a more than proportionate increase in the emoluments for this category. Incidentally, the emoluments for this category came to about Rs. 1,350/- per man/month during 1957. This category comprised of staff getting more than Rs. 210/- basic pay. Out of 806 in this category about 175 represented the group with a basic pay of more than Rs. 800/-.

The total emoluments per man/month for management and non-management staff as furnished by the company for 1957 were as under :

	No. of staff	Basic pay	Other allowances incl. bonus	% of other allowances to basic pay
Management	806	990	360	36%
Others	4533	100	153	153%

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Unlike Caltex, the allowances were more for the lower categories than for higher paid staff.

Similar relevant statistics were called for to study the trend of these emoluments during these four years. The company did not furnish the particulars called for.

7·3·4·2. Maintenance, repairs and supplies The expenses on these items for the four years are indicated below with the incidence per unit volume :

	Rs./lakhs	*Unit incidence*
1948	13·48	0·0079
1951	30·90	0·0124
1956	66·03	0·0198
1957	79·45	0·0208

This expenditure worked out to 7% and 8% on the original value of the assets for 1956 and 1957. Even though repairs and maintenance will assume increasing proportions with the ageing of the assets, the percentages appear high.

7·3·4·3 Advertising The unit incidence showed increase in 1957 over 1948 and 1951. The 1957 incidence was, however, lower than 1956. Advertising & propaganda might be required more for specialities rather than for refined products. With the expansion in the sales volume the incidence per unit on account of advertising should normally be lower. The company should effect some economy under this item.

7·3·4·4. sundries This head covered lumpsum contributions and other annuity payments. Without a complete break-down of expenses for all the four years no further comments could be made except that the company should have maintained the past incidence and covered the increase in expenditure by the increased volume.

7·3·4·5. The unit incidence in 1956 and 1957 registered an increase of 181% and 188% over 1948 and 101% and 106% over 1951. The incidence of the written down values as adopted for the calculation of depreciation at normal income-tax rates are indicated below :—

Depreciation

	Incidence per 100 gallons				Increase over 1948		Increase over 1951	
	1948	1951	1956	1957	in 1956	in 1957	in 1956	in 1957
	Rs.	Rs.	Rs.	Rs.	%	%	%	%
Buildings	2·02	2·39	7·38	6·88	265	241	209	188
Machinery	0·20	0·28	0·79	0·74	295	270	182	164
Boilers & Fittings . .	1·32	1·30	4·18	3·97	217	201	222	205
Motor cars, etc. . . .	0·86	0·97	1·49	1·34	73	56	54	38
Office equipment . . .	0·31	0·34	0·95	0·87	206	181	179	156
Service station . . .	0·35	0·66	2·46	2·18	603	523	273	230
TOTAL . . .	5·06	5·94	17·25	15·98	241	216	190	169

The assets contributing to a major portion of the increase were buildings, boilers and fittings and service station equipments. The head office which was shifted to the new premises after 1951 and the latest depots were responsible for the increase. Even after taking into consideration the increase in the replacement and addition of assets in later years compared to 1948 or 1951 an increase of about 169 in 1957 over 1951 should be considered rather high. However, the depreciation, unlike Burmah Shell, showed lower increase in the unit incidence on account of the fact that building with a lower rate of depreciation accounted for the maximum increase in the written down values.

As the retail pump outlets are intended mainly for motor gasoline and H.S.D. oil a further comparison can be effected by relating the sales effected through teese outlets. (No separate figures for buildings were available).

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Year	Sales in lakh/gals.	Incidence per 100 gals.	Increase over 1948	Increase over 1951
		Rs.	%	%
1948	270·11	2·2479	..	..
1951	579·99	2·8262	26	..
1956	806·99	10·1571	352	259
1957	916·07	9·0738	304	221

Even though the incidence showed a decline in 1957 from 1956 yet an increase of 304% and 221% over 1948 and 1951 respectively appears high. Between 1951 and 1957 about 1800 pumps were added or on an average of 300 pumps per year. These additional pumps might have been installed in uneconomic supply areas.

7·4. Caltex (India) Ltd.

7·4·1. The marketing and distribution expenses are exhibited by this company in the marketing analysis under the headings.

Terminal operating
Station operating
District Overheads
Company Overheads
and Advertisement.

Expenses like landing charges, loading charges, filling expenses, etc. included under Terminal operation for all products are not shown as such but are transferred through merchandise stock account to 'Landing charges', 'transfer charges' and 'Packing and filling value' etc. Thus, these expenses have to be added back to arrive at the gross terminal expenses. Similar adjustmedts are necessitated in " Station operating expenses" as well. Depreciation merged under the different functions has been segregated on an equitable basis.

7·4·2 From statement No. 1, it can be seen that the overall incidence per unit volume of sale of all products was as under:—

Year	Statutory charges	Other charges & depreciation
	Rs.	Rs
1948	0·2976	0·1354
1951	0·4137	0·1395
1956	0·4092	0·2110
1957	0·4159	0·1933

The incidence of other charges and depreciation broken down will be as follows (vide statement No. 2).

	1948	1951	1956	1957	Increase over 1948 in 1956	Increase over 1948 in 1957	Increase over 1951 in 1956	Increase over 1951 in 1957
					%	%	%	%
(*i*) Volume of sale	100%	148%	236%	288%	136	188	60	94
(*ii*) Terminal	Rs. 0·0295	0·0230	0·0383	0·0374	30	27	67	63
(*iii*) Distribution	Rs. 0·0368	0·0417	0·0576	0·0516	57	40	38	24
(*iv*) Administration	Rs. 0·0608	0·0689	0·0933	0·0842	53	38	35	22
(*v*) Depreciation	Rs. 0·0083	0·0059	0·0218	0·0201	162	142	269	241
Total of other charges plus depreciation	Rs. 0·1354	0·1395	0·2110	0·1933*	56	43	51	39

The above table shows that the increase in other charges inclusive of depreciation was 56% in 1956 and 43% in 1957 over 1948 and 51 % and 39% respectively over 1951. However, the overall incidence in 1957 was lower than 1956 mainly due to the increase in the volume of sales. Had it not been for the increase in the volume of sales in 1957 over 1948 and 1951, the incidence per unit for the 1957 expenditure over the 1948 and 1951 volume would record an increase of about 296% over 1948 and 162% over 1951 incidence. On a comparison with the increase of expenses in the case of Burmah Shell and Stanvac the increase in the expenses for this firm was higher.

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7·4·3 The above increases are generally the cumulative effect of the variances in the following functions:

Functionwise variation (*vide* Statement No. 1)

	Increase over 1948 in 1956	Increase over 1948 In 1957	Increase over 1951 In 1956	Increase over 1951 In 1957
	%	%	%	%
(*i*) Delivery by motor vehicles	140	126	71	61
(*ii*) Loaned facilities pumps	254	212	149	119
(*iii*) Loaned facilities others	856	977	514	593
(*iv*) Depot expenses	295	295	135	135
(*v*) District overheads	46	33	46	32
(*vi*) General overheads	60	44	24	12

There was an all round economy in the incidence towards all functions excepts "the loaned facilities—others." in 1957, compared to 1956 over 1948.

7·4·4 The variances for the individual products where the increases are significant are indicated below :—

Individual product variances towards other charges and depreciation (*vide* statement No. 2)

	Increase over 1948 In 1956	Increase over 1948 In 1957	Increase over 1951 In 1956	Increase over 1951 In 1957
	%	%	%	%
(*i*) Motor spirit	63	31	58	27
(*ii*) H.S.D. Oil/L.D. Oil	225	267	182	219
(*iii*) Furnace Oil	97	12	122	27
(*iv*) Bitumen	56	77	18	34

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* The apparant decrease in the incidence in 1957 when compared to 1956 was due to the inclusiom of sales to the International Bunkers in 1957 and exclusion in the previous years.

The increase in Motor spirit was mainly due to depreciation, while the increases in the other products was due to the increase in all the functions.

7·4·5 In addition to the foregoing analysis an attempt was made to compare the variation in some of *Depot and Retail pump expenses* the functions like " Depots" and "Station Operation"—"loaned facilities gasoline pump outfits" and " Loaned facilities others".

7·4·5·1 Depots:

	No. of depots	Average expenses per depot	Average through put per depot	Average incidence per gal.
	Nos	Rs.	lakh/gals.	Rs.
(*i*) Depots in 1948	20	15693	4·088	0·0384
(*ii*) Depots in 1951 :—				
Depots existing in 1948	20	24647	10·243	0·0241
Depots added since 1948	20	19257	6·041	0·0319
TOTAL FOR 1951	40	21952	8·147	0·0270
(*iii*) Depots in 1956 :—				
A. Over 1948 :				
Depots existing in 1948	20	69955	17·942	0·0390
Depots added since 1948	49	40923	10·276	0·0398
TOTAL IN 1956	69	49338	12·498	0·0395
B. Over 1951:—				
Depots existing in 1951	40	55705	14·830	0·0376
Depots added since 1951	29	40555	9·281	0·0437
TOTAL IN 1956	69	49338	12·498	0·0395
(*iv*) Depots in 1957 :—				
A. Over 1948 :—				
Depots existing in 1948	20	75878	22·473	0·0338
Depots added since 1948	58	45483	11·255	0·0404
TOTAL IN 1957	78	53277	14·131	0·0377
B. Over 1951 :—				
Depots existing in 1951	40	61278	17·852	0·0343
Depots added since 1951	38	44853	10·215	0·0439
TOTAL IN 1957	78	53277	14·131	0·0377

From the above tabulation it can be seen that the throughout and the expenses generally showed increases over the previous years. Even though the average expense per depot of the earlier period was comparatively higher than that per depot newly added, the incidence per unit sale from the earlier depots was lower due to larger output through these depots. The only conclusion that can be drawn from this is that the new depot were not as economical as old ones.

In comparing the trend of expenses of all functions (*vide* Statement No. 1), the total expense under this functional head was divided by the all India sales. The actual throughput in 1948 was only about 10 percent of the all India sales, in 1951 it was only 25 per cent. while in 1956 and 1957 it was about 45 per cent. With the progressive expansion of activities more sales were being effected through the net work of depots thereby resulting in a higher incidence per unit on the all India sales.

7·4·5·2 Loaned facilities gasoline and others :—

	1948	1951	1956	1957
No. of Pumps Nos.	278	422	845	932
Average expenses Rs.	1137	1504	4178	4611
Average sale Gals.	80625	86314	65887	71199
Average incidence Rs.	0·0141	0·0174	0·0635	0·0648

For 1948 and 1951, the unit incidence was arrived at by taking the sales of Motor spirit only as the sale of H.S.D. oil was not available. For 1956 and 1957, the actual throughput for both the products was taken as the divisor. From the above tabulation it is seen that the increase in the expense in 1957 registered about 305% over 1948 and about 206% over 1951. The throughput per pump in 1957 recorded a decrease of about 12 % over 1948 and about 18% over 1951. The combined effect was an increase of about 360% and 270% over 1948 and 1951 respectively in the incidence per unit volume. In arriving at these conclusions the sale of Motor spirit ex-terminal which should have been deducted from the all India sales for arriving at the correct divisor for 1948 and 1951, was presumed to be offset by the sale of H.S.D. oil not included in such a divisor. It is further seen that not only the average expense per pump registered substantial increase but the average output recorded decrease. The only obvious conclusion that could be drawn is that expenses were being progressively increased in spite of a diminishing sale per pump. The reason for this was not explained by the company.

7·4·6 Trend under elements of cost

The expenses under the various functions were available under elements of cost like salaries, wages, etc. The analysis of the expenses under the classified elements is shown in statement No. 3. The following will indicate a summary of the major elements with the increase in the unit incidence in 1956 and 1957 over 1948 and 1951. In arriving at the unit incidence the total expenses were divided by total all India sales.

	Incidence in		% of increase over 1948		% of increase over 1951	
	1956	1957	In 56	in 57	in 56	in 57
	Rs.	Rs.				
Staff payments . .	0·1100	0·1017	61	49	46	35
Repair and tools . .	0·0140	0·0144	69	73	33	37
Rentals . .	0·0172	0·0141	13	—7	52	25
Office expenses . .	0·0086	0·0077	32	18	48	33
Travel expenses . .	0·0095	0·0067	—19	—43	19	—16
Auto expenses . .	0·0082	0·0076	78	65	37	27
Drainage . .	0·0105	0·0089	162	122	67	41
Depreciation . .	0·0218	0·0201	163	143	269	241
Employees benefits .	0·0046	0·0042	21	11	—2	—11

The 'staff payments' constitute the maximum incidence per unit which showed an increase of 61% and 49% over 1948 and 46% and 35% over 1951 for 1956 and 1957 respectively. The total number of employees and their average emoluments are indicated below :

	No. of employees	Rs. per man month
1948	2,000	238
1951	2,494	313
1956	3,830	474
1957	3,874	511

Additional particulars regarding the total emoluments broken down into basic pay, allowances, etc. for staff and labour below Rs. 1,000/-, Rs. 1,000/- to Rs. 2,000/- and above Rs. 2,000/- were called for for all the years but were made available only for 1957. On an analysis it was observed that there were about 70 officers in the last category and about 40 in the middle category. The average emoluments per man/month in the first category came to Rs. 293 while in the second category it was Rs. 2,300/- and in the third about Rs. 11,200/-, The other emoluments over the basic pay were 80% for the first, 50% for the second and 156% for the third category. Officers in the highest grade were getting a larger percentage of allowances than the lower paid staff. In the absence of similar splitup for the earlier periods it is difficult to come to any conclusion whether such abnormal increases for the second and third category of staff were of a recent origin.

7·4·7 Depreciation

The unit cost of depreciation in 1956 and 1957 was higher by 162% and 142% respectively over 1948 and by 269% and 241% respectively over 1951. The incidence of the written down values as adopted for the calculation of depreciation at normal income-tax rates is indicated below :—

	Rs. per 100 gals. sold				Percentage of increases			
					Over 1948		Over 1951	
	1948	1951	1956	1957	1956	1957	1956	1957
Land and buildings . . .	0·0285	0·0217	0·0607	0·0576	113	102	180	166
Cars & Trucks	0·0061	0·0065	0·0172	0·0141	182	131	165	117
Plant and Machinery . . .	0·0046	0·0050	0·0182	0·0184	296	300	264	268
Tanks and Pipelines . . .	0·0165	0·0190	0·0807	0·0722	389	338	325	280
Pump Outfits	0·0051	0·0074	0·0230	0·0238	351	367	211	222
Office equipment and furniture .	0·0041	0·0047	0·0063	0·0067	54	63	34	43
Others	0·0013	0·0010	0·0080	0·0065	515	400	700	550
TOTAL	0·0662	0·0653	0·2141	0·1993	223	201	228	205

There was an overall reduction in 1957 over 1956. The total increase in 1957 was 201% over 1948 and 205% over 1951. The maximum increase in the incidence was under Tanks and Pipelines with land and buildings ranking second. The increase under Pump Outfits also was considerable.

As the gasoline pump outfits are intended mainly for motor spirit and high speed diesel oil, a study of incidence for these products would give a better picture. The company did not show H.S.D. oil separately and merged it with light diesel oil. In arriving at the incidence the total of Motor Spirit and diesel oil was taken as the divisor.

	Sale in lakhs/gals.	Incidence Rs.	Percentage Increase over 1948	Percentage Increase over 1951
1948	358·28	0·0118	..	..
1951	581·51	0·0157	33	..
1956	841·73	0·0541	358	245
1957	1054·79	0·0544	361	246

The above increases were not materially different from those arrived at on the basis of the all India sales. Comments regarding the other elements of cost could not be given for want of particulars.

7·5 Indo Burma Petroleum Co. Ltd. (I.B.P.)

7·5·1 In comparing the trend of expenses, only charges pertaining to installation, distribution, administration and depreciation are considered.

7·5·2 Other Change — The increase in the unit incidence for all products excluding wax was 26% in 1956 and 28% in 1957 over 1948 for an increase of 42% and 62% in the volume of sales respectively. Had it not been for the increase in the sales activities the trend of expenditure in 1957 spread over the volume in 1948 would show an increase of 109%.

7·5·3 Depreciation — This element also recorded an increase of 195% and 230% for the two years over 1948. This was attributable to the substantial addition of assets.

7·5·4 Functionwise incidence (*vide* Statement No. 2) — The marketing and distribution charges are grouped under the following heads with the incidence against each per unit of all products excluding wax.

		1948	1951	1956	1957	Increase over 1948 in 1956 %	Increase over 1948 in 1957 %	Increase over 1951 in 1956 %	Increase over 1951 in 1957 %
Volume of sale (in '000 gals.)		17883	19943	25357	29042	42	62	27	46
Installation expenses	Rs.	0·0326	0·0309	0·0354	0·0368	9	13	15	19
Distribution expenses	Rs.	0·0425	0·0429	0·0664	0·0631	56	48	55	47
Administration expenses	Rs.	0·0426	0·0436	0·0521	0·0506	22	19	19	16
Depreciation	Rs.	0·0040	0·0069	0·0118	0·0132	195	230	71	91
TOTAL	Rs.	0·1217	0·1243	0·1657	0·1637	36	35	33	32

Compared with 1948 and 1951 the average incidence per unit of all products was higher under each function. Although the business of the company had expanded progressively no economy was noticed in the average incidence.

The substantial increases in the incidence per unit to the foregoing were noticed in the following functions (*vide* statement No. 1).

Functional Heads	Increase over 1948 in 1956 %	Increase over 1948 in 1957 %	Increase over 1951 in 1956 %	Increase over 1951 in 1957 %
Main Installation	9	13	15	19
Administration	22	19	19	16
Cost of delivery	61	58	40	36
Depot expenses	44	25	24	8
Inspection	119	141	119	141
Pump maintenance	124	78	136	87

7·5·5 Individual product variance towards other charges and depreciation (*vide* statement No. 2)

The following shows the variation in the overall incidence of all functions per unit for some of the formula products :

	Increase over 1948		Increase over 1951	
	in 1956	in 1957	in 1956	in 1957
	%	%	%	%
Kerosene	19	19	25	25
Motor Spirit	73	82	59	67

7·5·5·1 **Kerosene** The increase in overall incidence for kerosene was on account of substantial increases under loading expenses under Main Installation, Administration expenses, cost of delivery and inspection.

7·5·5·2 **Motor Spirit** The more significant increase in the functional expenses was under Main Installation, Administration, Depots, Pump Maintenance and Inspection. The expenses relating to Motor Spirit under different functions increased in 1956 and 1957 due to increases in expenditure and decreases in sales.

7·5·6 **Elements-wise incidence** The total expenses under elements of cost were made available for 1956 and 1957 only. The trend was studied under five headings, *viz.*

(*i*) Salaries and wages.

(*ii*) Other charges.

(*iii*) Head office expenses (other than salaries),

(*iv*) London office expenses.

(*v*) Depreciation.

7·5·6·1 **Salaries and Wages** These included the wages pertaining to the manufacture of tin containers. This constituted about 47% of the total . The incidence per unit showed a slight decline in 1957 compared to 1956. But the increase in this element per unit volume in 1956 and 1957 showed 56% and 51% over 1948 and 37% and 33% over 1951 respectively, in spite of an increase of about 40% in volume. The reasons for such increases were mainly found to be the higher level of emoluments either by awards or conciliations. The average emoluments showed substantial increases among the different categories of staff.

7·5·6·2 **Other charges** This also worked out to about an equal percentage of the total expenses like labour.

7·5·6·3 **Head Office expenses** This item showed decrease in 1957 over 1948 and 1951 mainly as a result of the increase in the volume of sales.

7·5·6·4 **London Office expenses** The incidence towards this item in 1956 and 1957 registered an increase of 158% and 112% over 1948 and 300% and 240% over 1951. In 1951 the incidence was the lowest. Till 1952 the company was absorbing most of this expenditure in the Rangoon shipment account and a small portion was debited to the head office expenses which again were pro-rated to the world sales. During 1956 and 1957 the entire London Office expenses were absorbed through the head office account proportionate to the world sales. The change in the method of absorption of this expense resulted in a larger share to the Indian sales in 1956 and when 1957 compared to 1951. The company was not able to offer adequate explanations for this change.

8. Explanations of the Companies :

General The companies have been asked to give justifications for the increase in the volume of expenses and their incidence for the various products marketed by them during these years. The explanations offered by the companies and the comments thereon are given below :—

8.1. **Burma Shell** In explaining the variations, the company had dealt only with the volume of expenses in absolute figures without giving adequate reasons for the variations in the unit incidence. Unlike other companies the entire marketing expenses were not available under the elements of cost such as salaries and wages, etc., except under functional heads, as indicated in para 7. 2.

8.1·1. **Loading** The company contended that a major part of expenses under this head comprising of direct labour, maintenance, consumable stores should be *pro-rata* to the increase in the volume of sale and expenses like rent and taxes, insurance on facilities could be viewed as fixed irrespective of the sales volume. The increase in the volume of expense in 1957 came to 112% over 1948 and 80% over 1951. The main reason for an increase in the incidence was explained by the company to be due to packed loading which considerably increased in 1956 and 1957 owing to the paucity of the tank wagons, rail bookings, etc. The increase in the price of dunnage used for loading was also mentioned as one of the contributing factors. The extent to which the reported shortage of tank wagons and rail bookings during these two years had contributed for the increase is very difficult to assess.

8·1·2. Packed filling & Reconditioning

The increase in the volume of expense under this head in 1957 was 255% for an increase in volume by 144% over 1948. The main factor contributing to the increase was explained in maintaining packed supplies.

8·1·3. Installation General Charges

These charges were mostly administration expenses at the various installations. The classified expenses coming under this group are staff salaries, labour wages, staff and labour bonus, welfare and other general expenses. The indirect salaries and wages pertaining to the installations were allocated to the respective functional heads till 1951. Since then such indirect salaries were grouped under the installation general charges and allocated to the various products. The payment of bonus was enhanced since 1951 as a result of the adjudication/conciliation award. The largest increase occurred under salaries and wages on account of various revisions in the basic salary/wage grades and dearness allowance either voluntarily conceded or necessitated by adjudication/conciliation awards. The cost of living indices rose since 1951. Additional amenities over those existed in 1948 and 1951 were also voluntarily provided or awarded by adjudication/labour laws. Another contributing factor advanced was the reorganisation of the installations from time to time to cope up with the expanding trade/operational efficiency. A new installation was opened at Kandla after 1951. Even though revision of salaries and wages and dearness allowances with the attendant labour amenities might have been necessitated as a result of the awards for the lower category of staff, certain voluntary compensations were also introduced by the company. A major portion of the salaries of managerial and supervisory staff should be viewed as of a fixed nature. The increase in sales in 1957 by 144% and 40% over 1948 and 1951 should not have resulted in a higher incidence.

8·1·4. Administration General Changes

The increase under this head was explained on account of the following :

(a) Increase in staff to meet expansion in trade and Government requirements of returns under the various States sales tax ;

(b) General increase in salaries for staff and bonus ;

(c) Enormous publications and participation in Exhibitions sponsored by Government or private bodies ;

(d) Institution of the Indian Pension Fund in 1947 and the contribution on account of past and current services ;

(e) Large debits from London office on account of post-war rise in cost of staff and other services in the U. K.

The above explanations offered by the company are of a general nature and it is very difficult to analyse what portion of the above expenses could be treated as reasonable for the increase in the volume.

8·1·5. Depot Expenses

The same elements of cost like salaries and wages, dearness allowance, bonus and other operational expenses were attributed for the increase.

8·1·6. Hired Storage

Transport bottlenecks, lack of tank wagons and the monsoon were stated to be the reasons for the increase under this head.

8·1·7. Aerodrome Facilities

The reasons for this head were almost the same as for depots.

8·1·8. Service and Filling Station

The company had 1,155 dispensing pumps and 121 service and filling stations in 1948 which progressively rose to 5,214 and 1,482 respectively in 1957. The advent of a new product in the automotive field, *i.e.* H.S.D. oil, was another factor, the sales volume of which had risen considerably since 1948. Rent, rates and taxes on the new lease hold since 1948 had been considerably greater and the rates and taxes had also undergone upward revisions. Erection and maintenence expenses went up as a result of the increase in the price of stores, materials and contractors' charges since 1948. The company's explanations were only superficial. It has not furnished valid reasons substantiated by facts to justify the increase in the incidence per unit. Although the increase in all expenses might be justifiable to the increased activities, it does not follow that the unit incidence should also increase. The company should have looked into the economies before addition of new pumps and filling stations.

8·1·9. Divisional Office charges

This represented the selling expenses upcountry. The number of Divisional offices increased from 17 in 1948 to 24 in 1957. As with all other functional heads more or less identical elements of cost contributed for the increase either by addition in the number of staff or the revision in the structure of emoluments since 1948. As a result of the expansion in the sales volume the number of field staff also increased and their touring enlarged considerably with consequential travelling expenses and hotel stoppage allowances. In 1948, some of the Division offices were located in the Branch/Head Office ; since then most of these offices were located in the appropriate upcountry areas which contributed to the increase in the volume of expenses under this head. The expenses for the Divisional Offices should be treated as of a fixed nature and should not have increased in sympathy with volume. This is one of the major items of overheads in which the company could have effected economy by a more rigid control of expenses.

8·1·10. Commercial Advertising

The increase in this expenditure since 1948 mostly related to competitive and new products and this was necessitated in an expanding market. There is practically little competition in the refined products. Even in products like lubricating oil, etc., most of the brands are specialities. In this group more than three-fourths of the trade is controlled by the three major oil companies. As such, increasing expenditure over the past levels is not justifiable. Demand for petoroleum products is not influenced by propaganda and advertisement unlike other consumer goods.

8·1·11. **Other selling expenses** — The main item under this head was bad debts. The sharp increase in 1956 was stated to be due to the irrecoverable debts due on Government trade.

8·1·12. **Delivery Charges** — These charges represented expenses incurred in delivering products to the point of sale or to the consumer from the company's installations or depots by the company's own transport lorries/tank carts or by hired transport or contractors. The increase in the cost of hired transport was stated to be due to the increased cost of fuel/stores and rising taxes on vehicles since 1948, increase in contractors' charges and high cost of hired transport. The average distance covered in delivering the products was much greater during recent years than in the earlier years.

8·1·13. **Rent/hire on Facilities or depreciation** — The increase under this head was mainly the result of the considerable facilities either added or replaced in the post 1948 period when prices on those facilities were continuously soaring. The additions to the capital facilities at a much enhanced cost contributed to the increase in the rent/hire charges or depreciation.

8·2· **Stanvac :**

8·2·1. Stanvac contended that in studying the trend of expenses from 1948 to 1957, 1948 should not be taken as the base year as the conclusions would be misleading. This company is incorporated in the U.S.A. and a large percentage of its charges originate in U.S. Dollars. The company, therefore, considered that 1951 might be taken as the base. The Dollar portion of the charges in 1948 was stated to be to the tune of $ 1·75 millions which at the rate of exchange prevailing in 1948 would be equal to Rs. 5,806 millions. The same amount would have resulted in a debit of Rs. 8·35 millions in post-devaluation years. Hence, a comparison between pre-devaluation period, *viz.* 1948 and post-devaluation period, *viz.* 1951 onwards, as far as expenses were concerned would be completely misleading unless the incidence of devaluation was taken into account . This would mean that the marketing expenses for 1948 had to be increased by nearly 15% to make them comparable with post-devalution years or in other words the increase of 15% of 1948 expenses would more or less equate the result of 1951 with 1948.

The variances for the years 1956 and 1957 have thus been compared both in relation to 1948 as well as 1951 to highlight the increases over the pre-devaluation and post-devaluation years in the following analysis.

8·2·2. **Salaries on wages of clerical staff and labour** — In 1957 this amounted to Rs. 137·71 lakhs or 20·5% of total marketing and distribution expenses. It was represented that there had been serveral upward revisions in basic wages and salaries as a result of adjudicator's Award or agreements with employees' union. The revisions in basic wages for clerical grades ranged from 17% to 33% depending upon the territories as under :—

Year	Bombay	Calcutta	Madras	New Delhi
	Rs.	Rs.	Rs.	Rs.
1948	75	70	60	80
1951	85	80	75	90
1956	95	90	80	90
1957	95	90	80	..
Increase in 1957 over 1948	27%	29%	33%	12%
Increase in 1957 over 1951	12%	12%	7%	..

For labour such increases in 1957 over 1948 worked out to 9 to 45% as shown below :—

Year	Bombay	Calcutta	Madras	New Delhi
	Rs.	Rs.	Rs.	Rs.
1948	31·28	30·06	22·75	..
1951	35·75	35·50	26.00	32·00
1956	42·25	39·81	33·00	35·00
1957	42·25	39·81	33·00	35·00
Increase in 1957 over 1948	35%	32%	45%	..
Increase in 1957 over 1951	18%	12%	20%	9%

High cost of living which was linked up with the cost of living index in 1957 had also been on a continuous increase all through the period under review. Increase was from 8% to 33% and (—) 1% to 12% over 1948 and over 1951, as indicated below :

	Bombay	Calcutta		Madras	New Delhi	
Year	Working class CLI	Middle class CLI	Working class CLI	Working class CLI	1939 CLI	1944 CLI
1948	303	320	339	309	344	132
1951	330	383	370	334	370	142
1956	352	412	347	358	377	144
1957	369	426	367	372	391	150
Increase in 1957 over 1948	22%	33%	8%	20%	14%	14%
Increase in 1957 over 1951	12%	11%	—1%	11%	6%	6%

8·2·3 **Provident Fund** The accounts for the earlier years were stated to be without the full incidence of company's contribution to Provident Fund of 10% of the basic wages. Various provident fund schemes were introduced between 1948 to 1954 and all these schemes were consolidated to the most beneficial scheme for staff in 1954. The India Provident Fund Scheme came into effect in 1954 by which the company's contribution was at 10% of the basic salaries and wages. The introduction of the Government Employees Provident Fund Act which entitles the staff to 6¼% company's contribution towards basic salary and high cost of living allowance proved to be more advantageous to the employees of some of the terminals than the company's own schemes. When the option for the benefits under the Employees Provident Fund Act was given, there was an increase in the company's contribution towards Provident Fund. This increased contribution partially accounted for the variation in the salaries and wages in 1957 accounts. The extent of increase towards this expense could not be assessed in the absence of adequate data.

8·2·4 **Bonus** As against bonus at the rate of one month paid only in certain locations in 1948, the recent trend in bonus payment was 3½ to 4 months wages/salaries in all the locations in 1957.

8·2·5 **Salaries of Supervisory Staff** In 1957, this amounted to Rs. 130·17 lakhs or 19·4 % of total marketing and distribution charges. As a result of Award/Agreement the emoluments of the employees coming under "union" were increased tremendously. To restore the wage differential between this group and the supervisory staff, the aggregate compensation to the latter was made by increasing the earnings by 70% in 1956 with a corresponding increase in the emoluments of the higher grade resident supervisory staff.

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There was very little increase in the number of people on the pay roll, as evidenced by the following details :—

	1948	1951	1956	1957
Management	428	526	782	806
Clerical	1,020	1,147	1,259	1,218
Labour	3,215	3,598	3,363	3,299
Temporary	338	414	68	16
	5,001	5,685	5,472	5,339

8·2·6 **General Wages and Salaries** The increase in wages and salaries in 1956 and 1957 was the result of awards and agreements for the lower grades of employees and the company's own action to maintain the disparity in the emoluments of the higher grade supervisory staff.

8·2.7 **Maintenance, Repairs and Supplies** In 1957, total expenditure under this head was Rs. 79·45 lakhs or 11·8% of total marketing and distribution expenses. The increase in the incidence towards this item in 1956 and 1957 was 151% and 163% over 1948 and 60% and 68% over 1951. The number of tank trucks operated in 1957 was twice the number in 1951. The above increases were the result of the general increase in the prices of motor spares, tyres and tubes and other materials which went up by about 30%. This expenditure working out to about 8% on the original cost of the assets seemed rather high.

8·2·8 **Travelling and motor car expenses** During 1957, this amounted to Rs. 44·16 lakhs or 6·6% or total marketing and distribution charges. The increase under this item was 33% and 41% in 1956 and 1957 over 1948 and 60% and 71% respectively over 1951. Considerable intensive touring had to be resorted in these two years to keep up facilities and increase efficiency in the interest of public safety. Another reason attributed was the Indianisation of staff and consequent repatriation of overseas personnel. The furlough travelling expense in 1956 and 1957 was stated to have mainly contributed to the increases. The overseas personnel numbering 66 in 1948 and 73 in 1951 were reduced to 48 in 1956 and 27 in 1957. The travelling allowances for these repatriated personnel accounted for the general increase in the expenses. A portion of this expenditure pertaining to the repatriation of foreign personnel should be treated as a deferred charge.

Rent

8·2·9 In 1957, this amounted to Rs. 20·87 lakhs or 3·1 % of total marketing expenses. The increase under this item was 66% and 57% in 1956 and 1957 over 1948 and 132% and 120% over 1951. These increases had been largely due to the exorbitant increase in the rent of railway land used at the various locations. As examples the undermentioned stations were cited :

Umreth	Rs. 7·50 p.a.	to	Rs. 495·00
Asarva	Rs. 182·69	„	Rs. 1759·54
Baroda	Rs. 120·00	„	Rs. 862·50
Baroda	Rs. 150·00	„	Rs. 1125·00
Baroda	Rs. 744·00	„	Rs. 1125·00
Nadiad	Rs. 240·00	„	Rs. 5238·00

Sundry expenses

8·2·10 During 1957, expenses under this head amounted to Rs. 41·20 lakhs or 6·1% of total marketing expenses. The percentage of increase in unit cost in 1956 and 1957 was 73% and 64% over 1948 and 63% and 54% respectively over 1951. The increase was attributed to the following :—

(*a*) Payment of lump sum allowance as per non-contributory plan. Payment of contribution retroactive from the commencement of service for all employees.

(*b*) Free tea and meal allowance.

(*c*) Increase in the annuities payable to retired employees to make the amounts more realistic with the increase in cost of living and to provide the annuitants with the minimum subsistence pension.

(*d*) Increase in the cost of uniforms and liveries.

(*e*) Additional amounts in amortisation and write-off for packages consequent to the increase in the inventory of packages as a result of severe shortage of tank wagons.

(*f*) Increase in expenditure under public relations in the publication of various magazines.

A large portion of the foregoing expenses was mainly due to the liberal policy adopted by the company.

8·3 **Caltex :**

As in the case of the other two companies, this company also was asked to give explanation for the variations between 1948 and 1957. The company explained that the increases were generally due to the increase in the wage levels amounting to about 62% over 1948 and certain facilities like depot and other retail outlets installed in the later years even though the volume of throughput was not economical. The reason for the uneconomical installations was explained by the fact that these storage and distribution outlets had to be designed to take care of the volume anticipated to be handled years ahead. Until the full anticipated volume was realised the expenses per unit volume handled would continue to show high incidence. The additional marketing/operating/accounting staff was also attributed to the increasing volume.

While it may be true some additional staff may be necessary, increase on this account in the unit incidence is not a normal feature as the very purpose of the increase in volume (to economise the cost of marketing and distribution) is defeated.

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8·4 **Indo-Burma Petroleum Company :**

8·4·1 The company was asked to give explanation with full details for the various increases in the expenses in 1956 and 1957 over 1948. No such explanation with supporting details has so far been received from the company. Based on certain facts emerging in the course of the cost investigation and some particulars furnished by the company so far the following are the reasons for such variances.

8·4·2 During the period from 1948 to 1957 the salary of staff and labour underwent a number of revisions. These revisions were stated to be the results of either tribunal award or conciliation proceedings or settlement with the staff/workers' associations. In addition to the general increases in the basic scales of pay, other amenities in the form of tiffin allowance, retiral gratuity, leave travelling allowance, duty allowance were further introduced. The dearness allowances adopted from time to time were based on the indices of the Bengal Chamber of Commerce in their Calcutta Branch and the Burmah Shell rates for the Bombay Branch. In the absence of details it is not possible to assess the particular item contributing for such a substantial increase. The number of clerical and local covenanted staff had shown increase in 1956 and 1957 over 1948 and 1951. Salaries and wages forming major portion of the total expenses under each function contributed for the increase.

Main Installation

8·4·2·1 Cost of repairs and maintenance as a result of the alleged increase in the cost of materials had shown increase. The cost of additives as also the mixing charges were increased during 1956 and 1957.

Administration

8·4·2·2 The London Office expenses in 1956 and 1957 showed a considerable increase over that in 1948 and 1951. In the earlier years a greater portion of this expense was allocated to the sales in the Rangoon Area. As a result of the change in the policy of the management a greater portion is now allocated to the Indian activity for which tangible reasons could not be furnished by the company.

Cost of Delivery

8·4·2·3 One of the main items of expenses adding to the increase is the cost of haulage charges for kerosene in the Bombay local market during the latter years.

Depot Expenses

8·4·2·4 Items like ground rent, municipal taxes, insurance, etc. contributed to the increase under this head. The extent of increase towards each item could not be assessed for want of details.

8·4·2·5 Inspection The number of Inspectors in 1956 and 1957 showed an increase over 1948 and 1951. Apart from the increased salary of these Inspectors the travelling allowances showed substantial increase. A new office at Delhi started functioning since 1954, the charges of which were taken to inspection expenses. The ratio of these expenses to the turnover is out of proportion when compared to 1948 and 1951.

8·4·2·6 Pump Maintenance The increase in the repairs and maintenance charges was mainly on account of the increase in the number of pumps. The increase in the incidence per unit was due to the fact that the offtake from the additional pumps was lower than those existed previously. In addition, the average turnover dropped in 1957 and 1958 when compared to earlier years.

8·5 B.O.C. (IT)

This company did not give any explanation for the variation from 1948 to 1957.

9. Fixation of the quantum of charges in the break up of the price Formula

The quantum of charges for each group indicated in para 5·1·1 is fixed as under :

9·1 (Group 1) : Landed Cost:

9·1·1· F.O.B. Quotation The source for the F. O. B. quotations is selected as the Platt's Oilgram services. These services issue daily bulletins detailing the F.O.B. quotations for all the petroleum products from the various ports of export. The chief source of imports into this country has in the past been either Abadan or Rastanura of Persian Gulf. Even in the past V.S.A. basis Rastanura was originally adopted which was subsequently substituted by Abadan. The oil companies proposed Abadan as the source for fixation of prices of Refined Petroleum Products. F.O.B. quotations for almost all the refined products including ' Aviation Spirit ' (Avigas) are available from more number of parties from Abadan than from Rastanura and Bahrein. Moreover, there are no F.O.B. quotations for Avigas from Rastanura. A further analysis reveals that the F.O.B. quotations from Abadan and the freight as per AFRA give more economical combined C & F Prices to Indian ports than from Rastanura. Even though the freight rates in 1958 were slightly higher to Indian ports from Abadan, this increase in freight is more than offset by the shortfall in the F.O.B. quotations from Abadan. For fixation of prices from 1-4-58 Abadan can be treated as the most economical sources of import as can be seen from Statement No. 4. The F.O.B. quotations in the Oilgram are in cents per American gallon or in Dollars for barrels of 42 American gallon depending upon the products quoted.

9·1·2 Marine Freight :

9·1·2·1 The oil companies proposed to adopt the rates as published by the Average Freight Rate Assessment (AFRA). No comparison of the spot charter rates from the Persian Gulf Ports with the AFRA rates could be made for want of information. Based on the figures made available from the Port of Rastanura to Durban (S.A.), it could be seen that there had been wide fluctuations in the spot rates when compared with the AFRA rates. In late 1958, it was also seen that the spot rates were somewhat lower than AFRA. There had been no demand for special charter and hence the rates, depending upon the law of supply and demand for these special charter, were depressed. Once the demands for these special charter vessel arise the rates are also likely to go up appreciably. It is understood that a panel of London Brokers establishes these rates taking into consideration the rates at which the various independent owned vessels excluding U.S. Flag vessels and Government owned vessels are trading. The aim of establishing such rates is to level out the terrific peaks and valleys which periodically occur in short term charter market. It was also represented that the vessels owned by the oil interests formed only a small percentage of the total owning and hence there was no valid reason to apprehend that the AFRA rates were influenced by the oil interests. It was stated that the variations in the spot rates had shown significant rise over the base scale (United States Maritime Commission Scales—USMC Scales), while those in AFRA were only moderate. Thus AFRA produced equitable rates and provided the desired stability. In any price control too frequent and violent fluctuations are not desirable. The freight rates as evidenced by AFRA have, therefore, been adopted.

9·1·2·2 The Pattern of discharge of petroleum products is either on a single port discharge or more than one port discharge depending upon the demands at individual ports. Moreover, after the refineries came into operation, the imports had to be restricted. To programme this limited quantity in economic tanker loads split discharges at 2 or more ports have to be resorted to. In addition, the draught and other restrictions in the various ports of discharge play an important part in arranging the pattern of discharges. It is further reported that the Indian flag small size tankers are only two in service. Moreover, the chartered hire rates are at a premium. The off-take limitations make smaller loads essential. Acute draught restrictions at Calcutta necessitate use of Madras as a lightening port for all cargoes. At Calcutta, the draught restrictions limit tankers to 7,500 tons. Supplies *ex* Bombay refineries require lightening at more than one port. These factors do apply both to the shipments from the refineries or overseas. Thus combination of two or more port discharge has necessarily to be adopted.

9·1·2·3· The following are the AFRA rates of marine freight for the petroleum products for the three quarters from Abadan and Rastanura:

(A) ABADAN

Indian ports	Pattern of discharge	Rates per ton for the quarters beginning		
		1-4-58 Sh.	1-7-58 Sh.	1-10-58 Sh.
(*i*) Bombay	Single	21—2	21—1	20—8·7
(*ii*) Okha	Bombay/Okha	23—8	23—7	23—1·9
(*iii*) Calcutta	Madras/Calcutta	40—4	40—2	39—4·3
(*iv*) Cochin	Cochin/Bombay	25—10	25—9	25—3·4
(*v*) Kandla	Bombay/Kandla	23—8	23—7	23—1·9
(*vi*) Madras	Madras/Calcutta	40—4	40—2	39—4·3
(*vii*) Vizag.	Vizag./Calcutta	40—4	40—2	39—4·3

(B) RASTANURA

Indian ports	Pattern of discharge	Rates per ton for the quarters beginning		
		1-4-58	1-7-58	1-10-58
		Sh.	Sh.	Sh.
(*i*) Bombay	Single	17—3	17—2	16—9·7
(*ii*) Okha	Bombay/Okha	19—9	19—8	19—2·9
(*iii*) Calcutta	Madras/Calcutta	36—2	36—0	35—2·8
(*iv*) Cochin	Cochin/Bombay	21—10	21—9	21—3·2
(*v*) Kandla	Bombay/Kandla	19—9	19—8	19—2·9
(*vi*) Madras	Madras/Calcutta	36—2	36—0	35—2·8
(*vii*) Vizag.	Vizag./Calcutta	36—2	36—0	35—2·8

9·1·2·4 The AFRA rates have certain differentials for more than one port loading and for less than tanker loads of 10,000 tons. These differentials have not been considered in the fixation of quantum in the price formula. As already stated under F.O.B. since Abadan port gives the economic combination of C&F rate, the AFRA rates from this port have been adopted in fixing the quantum of marine freight in the formula. The freight rates from Abadan have been converted to the I.G. based on the conversion factors at 85° F for per ton at natural temperature, as the case may be, depending upon the product, as for the conversion of the F.O.B. rates. These AFRA rates are affected from the midnight of 31st December, 31st March, 30th June and 30th September. As the quantum is to be fixed since 1-4-58 the appropriate incidence since that date is shown in Statement No. 5.

9·1·3 Insurance.

(a) Marine Insurance 9·1·3·1 The marine insurance for petroleum products is underwritten so far by the London Insurance Brokers. For Burmah Shell this is done in U.K. through their London office; Caltex with the Caltex group of international sales, while Stanvac adopted self insurance with a negligible underwriting by outsiders till October, 1957. Since then it is underwritten completely by outsiders. The rates and the insurable value differ among the companies.

(b) War risk Insurance This is also undertaken on the same basis as for marine insurance except at different rates.

9·1·3·2 The rates of marine and war risk insurance as ascertained from the companies were as under :

		Marine	War risk
Burmah Shell		1 sh.6 d% less 9½%	9 d% less 9½%
Caltex		0·1% net	0·03% net
Stanvac	Self	0·20% net	
	Outside	17·50% $ (stated to be composite)	
W.I.C.		4 Annas % Rs.	3/80% less 10%

9·1·3·3 The insurable value is determined as under for both types of insurance :

Burmah Shell	Insurable value comprising FOB plus freight plus Insurance or approximately on a formula of $\text{FOB} \times \frac{1100}{989}$
Caltex	Insurable value comprising FOB plus 3% of FOB
Stanvac	Insurable value comprising FOB and freight only
W.I. C.	C.I.F. value plus 20%

In the case of BOC (IT) with no direct imports the rates are not shown above. Similar figures are not available for I.B.P. also.

9·1·3·4 At present it is not considered that a state of emergency exists at the Persian Gulf. Hence no war risk insurance is recognised in the fixation of the quantum in the formula. When such an emergency arises Government may consider making adequate provision on this account.

Based on the rates and insurable value of the various oil companies Burmah Shell gives the economic quantum and hence this rate of marine insurance is adopted in fixing the charges in the formula, *viz.* 0·0755% on F.O.B. prices.

No information regarding the Indian Insurers and the rates is available. The insurance by the oil companies is being undertaken with the foreign companies so far. The Government may consider the possibility of underwriting by Indian insurers thereby avoiding the out-flow of foreign exchange.

Ocean Loss 9·1·4 The oil companies represented that in the proposed formula the weighted average in respect of all companies' losses on imports for the last two full years of imports prior to the refineries coming into stream should be arrived at and this percentage should be applied to the c.i.f. Figures were obtained for the years 1952—54 prior to the refineries coming into stream along with the recent figures for 1956 and 1957 *vide* statement No. 6. In the case of Caltex the figures in the statement for 1956 and 1957 denote the percentages based only on the valuation of the losses as quantitative figures were not available. The following percentage on c.i.f. are considered reasonable for the purposes of fixing this quantum.

Products	% on c.i.f.
(*i*) Motor Spirit	0·33
(*ii*) Kerosene Superior	0·25
(*iii*) Kerosene Inferior	0·25
(*iv*) Avigas 100	0·54
" 108	
" 115	
" 73 clear	
(*v*) Aero Turbo Fuel	0·25
(*vi*) H.S.D. oil	0·31
(*vii*) Kerosene power/vapourising oil	0·35
(*viii*) Furnace oil	0·11
(*ix*) Light Diesel Oil	0·44
(*x*) Bitumen	0·10

(*Note.*—The Government recognised and allowed ocean loss of 0·75% for furnace oil and L.D.O. under the V.S.A. procedure in the past).

9·1·5 Conversion Factors:

9·1·5·1 The industry claimed that in order to convert to English tons, the appropriate quantitative unit posted in Platt's (A.G.) an average rate based on all the companies' experience for the previous year should be used. The posted prices in Platts are in American gallons. The average temperature at Persian Gulf has been taken at 60°F as against the mean temperature of 85°F for Indian ports. Conversion factors of American Gallons at 60°F in the loading port and of imperial gallons at 85°F in the discharge (Indian) ports per ton of products for 1956 and 1957 as indicated by the oil companies are given in statement No. 7. Based on these figures, the following form the factors for arriving at the FOB rates per Imperial Gallon.

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Per ton of products	A.G.—@60°F	I.G. @ 85°F	Factor of FOB per AG to FOB per IG-Basis
(*i*) Motor Spirit	376·81	319·00	1·1812
(*ii*) Superior Kerosene	340·26	287·06	1·1853
(*iii*) Inferior Kerosene	323·98	273·15	1·1861
(*iv*) Avigas 100/130	375·42	317·47	1·1825
" 108/135	382·28	326·48	1·1709
" 115/135	382·24	323·84	1·1803
" 73 clear	378·65	320·21	1·1825
(*v*) Aero Turbo Fuel	341·90	288·44	1·1853
(*vi*) H.S.D. Oil	323·10	271·74	1·1890
(*vii*) Power Kerosene/ Vapourising Oil	328·88	277·46	1·1853
(*viii*) Furnace Oil	281·78	238·75	1·1802
(*ix*) Light Diesel Oil	..	..	..

The conversion of American currency to Indian currency is made at Rs. 4·77 per Dollar. Furnace Oil, Light Diesel Oil and Bitumen, are sold in tons while others are in Imperial Gallons. For arriving at the incidence of ocean freight per unit volume the same conversion factor is used for all the products except in the case of Light Diesel Oil, Furnace Oil and Bitumen.

9·1·5·2. Incidentally, it may be mentioned that in the past V. S.A. procedure the conversion factor at 85°F (the mean temperature in the Indian port of discharge) in American Gallons was used by Burmah Shell to arrive at the FOB rate. Normally, the conversion factor in American Gallons at the mean temperature in the port of loading should have been adopted and not that at the mean temperature in the port of discharge. This would mean an inflation of the FOB rate by about 1% to 1·5% depending upon the specific gravity of the products.

9·1·6. All the refined products except Bitumen are charged specific duties as under. As in the case of *Customs Duty* wharfage, only the rates of duty since 1-4-1958 are indicated below. The difference between the prices prior to 20-5-1958 and those agreed to by the Oil Companies converted into additional duty under the price control ordinance is also shown.

Products	Selling unit	Customs Duty	Additional duty as per ordinance
	Rs.	Rs.	Rs.
(*i*) Motor Spirit	Gallon	1·25	0·14
(*ii*) Kerosene	Unit of 8 IG	1·50	0·48
(*iii*) Aviation Spirits	Gallon	1·25	0·14
(*iv*) Aviation T. Fuel	Gallon	0·1875	0·06
(*v*) H.S.D. Oil	Gallon	0·60	0·07
(*vi*) Vapourising Oil	Gallon	0·60	0·03
(*vii*) Furnace Oil	Ton	29·40	13·91
(*viii*) L. D. Oil	Ton	65·60	11·64
(*ix*) Bitumen	Ton	27% A. V. Standard (18% if imported from a British colony).	

Wharfage charges.

9·1·7. These represent the compulsory charges made by the Port Authorities at scheduled rates. The Scheduled rates of wharfage and harbour dues for the products covered in the formula as given by the Oil Companies are indicated in statement No. 8 (rates given only for the period since 1-4-1958). Necessary particulars are also obtained from the respective port authorities. These rates form the basis for fixing the quantum in the formula.

Other compelled Landing charges.

9·1·8. These comprise of the charges levied by the Port authorities in addition to fixed wharfage, towards pumping, etc., cost. These have been determined on an all port average based on the actuals of the companies in 1957 as under :

Products	Unit	Charges per unit
		Rs.
(*i*) Motor Spirit	IG	0·0013
(*ii*) Kerosene Superior	8IG	0·0060
(*iii*) Kerosene Inferior	8IG	0·0060
(*iv*) Avigas	IG	0·0012
(*v*) A. T. Fuel	IG	0·0018
(*vi*) H.S.D. Oil	IG	0·0011
(*vii*) Vapourising Oil	IG	0·0017
(*viii*) Furnace Oil	Ton	0·0565
(*ix*) Light Diesel Oil	Ton	0·1973

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Incidentally, when these charges were asked to be intimated separately for purposes of comparison Stanvac gave the figures on an all India basis for each product for the two years 1956 and 1957, which are an exact replica of the Burmah Shells figures. It is not quite clear how the figures were exactly identical for these two firms especially when these charges were applicable not in all ports and when the pattern of imports varied among the companies. However, Burmah Shell's figures for 1957 are adopted as reasonable for fixing the quantum in the formula, as Caltex figures appeared unduly high.

Total Landed Cost.

9·1·9. The F.O.B. price does not vary according to the port of discharge. But the freight rate from the port of loading depends on the port of discharge as well as the pattern of discharge. For the purpose of fixing the quantum Bombay is assumed as a single port discharge, while all other ports as two port-discharge. The insurance rates applied as a percentage on the insurable value will also vary depending upon the value at each port of discharge. The wharfage and harbour dues differ depending upon the port of discharge. All petroleum products covered by the formula except Bitumen are subject to specific duties. Bitumen is assessed on an *ad valorem* basis and hence Customs duty will depend on the C.I.F. value at each port. The price structure in the past recognized separate landed cost for each port of discharge and the same principle is followed in fixing prices at the different ports. Statement No. 9 shows the landed costs for the various products covered under the price formula at each port of discharge. If any product is not imported in any port the landed cost at the nearest port should apply for the hinterland of that port.

As the prices fixed under the new price formula are to be retrospective from 1-4-1958, the variations in the landed cost are also indicated in the statement—these variations being the result of the changes in F.O.B. value, marine freight, etc..

(Group 2) Marketing and distribution charges

9·2 Basis of cost finding for 1956 and 1957.

9·2·1 The accounting procedure and the method of allocation of the marketing and distribution charges vary among the companies. The incidence of these charges per unit of each product is therefore, not comparable in addition as the quantum of these charges are to be fixed for the future based on the past actuals, the expenses in the past for all the companies have to be analysed and allocated to the various products in a uniform manner detailed as under:—

(i) Expenses directly traceable to the individual products as evolved by each company were taken as such.

(ii) Indirect expenses common to all type of sales were apportioned between inland and international sales. The portion of the charges allocated to the inland sales was apportioned to the products on the basis of the ratio of the realisation of each product to the total all India realisation.

(iii) The charges allocated to each product applicable upto the main installation were divided by the all India sales to arrive at the unit cost.

(iv) The charges allocated to each product beyond the main installation *i.e.* up-country were divided by all India sales excluding those on an F.O.R., M. I. basis. A deviation was made in the case of Avigas and A. T. F. A major portion of the sales especially in A. T. F. was effected ex-depots. The facilities at the airfields are of a special nature. The expenses at the airfields should not be loaded to the sales at the depots. It was, therefore, decided to segregate these airfield charges and absorb them on the sales effected ex-airfields. The prices for these two Aero products were developed at the three selling points *viz.* main installation, depots (up-country) and air fields.

(v) Depreciation was allowed only at normal Income tax rates.

(vi) In the absorption of charges for motor spirit, the quantity and realisation of power alcohol and Benzol mixed with motor spirit was taken into account.

(vii) In determining the charges, the followig items of expenses were excluded but the companies pleaded that they should form part of cost:

(a) Bonus
(b) Donation and charities
(c) Interest
(d) Bad debts
(e) Unrecovered freight
(f) Unrecovered duties and taxes
(g) Interest on incomplete capital assets
(h) Loss or gain on sale of assets
(i) Wealth tax
(j) Commission and allowances
(k) Railway freight recovered
(l) Local duties and taxes recovered
(m) Transportation expenses other than from storage point to selling points.

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9·2·2 Determination of the marketing and distribution cost could not be made for 1948 and 1951 on the above lines due to the non-availability of data. (Detailed cost statements are furnished in the cost report on individual companies.)

9·2·3 In para 6, the divergence of views expressed by the Oil companies on the basis adopted for determining charges for 1956 and 1957 is indicated; this is summarised for ready reference:

(i) *Terminal/Installation Charges*:No allocation of indirect charges under terminal or installation should be made to the international business.

(ii) *Administration expenses*: No allocation should be made to international sales.

(iii) *Motor Spirit*: Both realisation and quantity of power alcohol and the Benzol mixed with motor spirit should not be considered for the absorption of marketing charges.

(iv) 4 *IG Packed/Bulk differential*: Appropriate proportion of overheads in filling in operation and storing,etc., pertaining to the packed tins should be taken into account in working the real differential for this item instead of developing a differential based only on the direct cost of filling in operation. The Oil Companies have submitted a fresh set of figures representing the marketing and distribution charges for the year 1956 and 1957 based on the foregoing contention. The following tables indicate the difference between the figures as computed under the uniform method for 1956 and 1957 and those intimated by the individual companies on the industry's views:

BURMAH SHELL

Products	Units	1956			1957		
		As per company	As evolved for formula	Difference (3—4)	As per company	As evolved for formula	Difference (6—7)
1	2	3	4	5	6	7	8
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1. *Motor Spirit*							
(*a*) Installation charges	I.G.	0·0737	0·0659	0·0078	0·0689	0·0621	0·0068
(*b*) Administration charges		0·0973	0·0937	0·0036	0·1011	0·0974	0·0037
(*c*) Distribution charges		0·2032	0·1933	0·0099	0·2053	0·1969	0·0084
TOTAL		0·3742	0·3529	0·0213	0·3753	0·3564	0·0189
2. *Kerosene*							
(*a*) Installation charges	8I.G.	0·2721	0·2950	—0·0229	0·2515	0·2700	(—)0·0185
(*b*) Administration charges		0·4104	0·3951	0·0153	0·4020	0·3873	0·0147
(*c*) Distribution charges		0·4968	0·3851	0·1117	0·5561	0·4092	0·1469
TOTAL		1·1793	1·0752	0·1041	1·2096	1·0665	0·1431
3. *Aviation Spirit*							
(*a*) Installation charges	I.G.	0·0853	0·0779	0·0074	0·0919	0·0853	0·0066
(*b*) Administration charges		0·1072	0·1033	0·0039	0·1077	0·1038	0·0039
(*c*) Distribution charges		0·1111	0·1050	0·0061	0·1102	0·1110	(—)0·0008
(*d*) Airfield charges		0·1710	0·1707	0·0003	0·1800	0·1798	0·0002
TOTAL		0·4746	0·4569	0·0177	0·4898	0·4799	0·0099
4. *Aviation Turbine Fuel*							
(*a*) Installation charges	I.G.	0·0295	0·0264	0·0031	0·0300	0·0273	0·0027
(*b*) Administration charges		0·0435	0·0418	0·0017	0·0422	0·0407	0·0015
(*c*) Distribution charges		0·1141	0·0893	0·0248	0·0647	0·0557	0·0090
(*d*) Airfield charges		0·1807	0·1805	0·0002	0·1263	0·1262	0·0001
TOTAL		0·3678	0·3380	0·0298	0·2632	0·2499	0·0133
5. *H. S. D. Oil*							
(*a*) Installation charges	I.G.	0·0333	0·0301	0·0032	0·0322	0·0288	0·0034
(*b*) Administration charges		0·0555	0·0534	0·0021	0·0631	0·0607	0·0024
(*c*) Distribution charges		0·1309	0·1107	0·0202	0·1441	0·1265	0·0176
TOTAL		0·2197	0·1942	0·0255	0·2394	0·2160	0·0234
6. *Vapourising Oil*							
(*a*) Installation charges	I.G.	0·0606	0·0624	(—)0·0018	0·0713	0·0732	(—)0·0019
(*b*) Administration charges		0·0617	0·0594	0·0023	0·0649	0·0625	0·0024
(*c*) Distribution charges		0·0814	0·0666	0·0148	0·0891	0·0786	0·0105
TOTAL		0·2037	0·1884	0·0153	0·2253	0·2143	0·0110
7. *Furnace Oil*							
(*a*) Installation charges	Ton	4·1633	3·8047	0·3586	3·6680	3·3463	0·3217
(*b*) Administration charges		5·3735	5·1755	0·1980	5·3437	5·1488	0·1949
(*c*) Distribution charges		8·3422	7·4064	0·9358	8·7447	7·9291	0·8156
TOTAL		17.8790	16·3866	1·4924	17·7564	16·4242	1·3322
8. *Diesel Oil*							
(*a*) Installation Charges	Ton	9·8500	9·0211	0·8289	9·5891	8·7538	0·8353
(*b*) Administration charges		10·9305	10·5259	0·4046	11·3895	10·9693	0·4202
(*c*) Distribution charges		16·9087	10·0712	6·8375	16·1042	10·9861	5·1181
TOTAL		37·6892	29·6182	8·0710	37·0828	30·7092	6·3736

STANDARD VACUUM OIL COMPANY

Products	Unit	1956			1957		
		As per company	As evolved for formula	Difference (3—4)	As per company	As evolved for formula	Difference (6—7)
	2	3	4	5	6	7	8
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1. **Motor Gasoline**							
Installation/terminal Exp.	I.G.	0·0573	0·0562	0·0011	0·0575	0·0543	0·0032
Administration expenses		0·1516	0·1305	0·0211	0·1465	0·1147	0·0318
Distribution charges		0·1837	0·1774	0·0063	0·2088	0·1922	0·0166
TOTAL		0·3926	0·3641	0·0285	0·4128	0·3612	0·0516
2. **Illuminating Kerosene**							
Installation/Terminal Exp.	8I.G.	0·2688	0·2639	0·0049	0·2520	0·2384	0·0136
Administration expenses		0·6400	0·5509	0·0891	0·5952	0·4658	0·1294
Distribution charges		0·5640	0·3061	0·2579	0·6592	0·3478	0·3114
TOTAL		1·4728	1·1209	0·3519	1·5064	1·0520	0·4544
3. **Aviation Gasoline**							
Installation/Terminal Exp.	I.G.	0·0985	0·0970	0·0015	0·0933	0·0895	0·0038
Administration Expenses		0·1859	0·1602	0·0257	0·1749	0·1384	0·0365
Distribution charges		0·0167	0·0210	(—)0·0043	0·0168	0·0240	—0·0072
Airfield Charges .		0·1994	0·1919	0·0075	0·2675	0·2579	0·0096
TOTAL		0·5005	0·4701	0·0304	0·5525	0·5098	0·0427
4. **Aviation Turbo Fuel**							
Installation/Terminal Exp.	I.G.	0·0288	0·0283	0·0005	0·0176	0·0162	0·0014
Administration Expenses		0·0724	0·0623	0·0101	0·0614	0·0486	0·0128
Distribution Charges .		0·0222	0·0328	(—)0·0106	0·0206	0·0308	(—)0·0102
Airfield Charges .		0·1293	0·1226	0·0067	0·2591	0·2492	0·0099
TOTAL .		0·2527	0·2460	0·0067	0·3587	0·3448	0·0139
5. **High Speed Diesel.**							
Installation/Terminal Exp.	I.G.	0·0270	0·0262	0·0008	0·0257	0·0237	0·0020
Administration Expenses		0·0913	0·0787	0·0126	0·0921	0·0727	0·0194
Distribution Charges		0·0990	0·0949	0·0041	0·1244	0·1179	0·0065
TOTAL		0·2173	0·1998	0·0175	0·2422	0·2143	0·0279
6. **Power Kerosene**							
Installation/Terminal Exp.	I.G.	0·0736	0·0729	0·0007	0·0421	0·0400	0·0021
Administration Expenses		0·1000	0·0861	0·0139	0·0972	0·0767	0·0205
Distribution Charges		0·0795	0·0505	0·0290	0·0792	0·0551	0·0241
TOTAL .		0·2531	0·2095	0·0436	0·2185	0·1718	0·0467
7. **Fuel Oil**							
Installation/Terminal Exp.	Ton	2·7143	2·6671	0·0472	3·0321	2·8262	0·2059
Administration Expenses		9·1344	7·9478	1·1866	9·0009	7·0603	1·9406
Distribution Charges		7·7418	6·4474	1·2944	11·0064	6·4204	4·5860
TOTAL .		19·5905	17·0623	2·5282	23·0394	16·3069	6·7325
8. **Light Diesel Oil**							
Installation/Terminal Exp.	Ton	4·5484	4·4256	0·1228	6·5767	6·1945	0·3822
Administration Expenses		17·2524	14·8067	2·4457	16·5859	13·0746	3·5113
Distribution Charges		9·9070	4·7807	5·1263	20·0969	7·7183	12·3786
TOTAL .		31·7078	24·0130	7·6948	43·2595	26·9874	16·2721

CALTEX (INDIA) LIMITED

Products	Unit	1956			1957		
		As per Company	As evolved for formula	Difference (3—4)	As per company	As evolved for formula	Difference (6—7)
1	2	3	4	5	6	7	8
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1. **Motor Spirit :**	I.G.						
Installation . . .		0·0558	0·0502	0·0056	0·0588	0·0511	0·0077
Administration . . .		0·1354	0·1260	0·0094	0·1406	0·1267	0·0139
Distribution . . .		0·2473	0·1705	0·0768	0·2612	0·1795	0·0817
TOTAL .		0·4385	0·3467	0·0918	0·4606	0·3573	0·1033
2. **Kerosene**	8.I.G.						
Installation . . .		0·3880	0·3643	0·0237	0·4320	0·4008	0·0312
Administration . . .		0·6000	0·5562	0·0438	0·5984	0·5374	0·0610
Distribution . . .		0·4688	0·3824	0·0864	0·4976	0·4152	0·0824
TOTAL .		1·4568	1·3029	0·1539	1·5280	1·3534	0·1746
3. **Aviation Spirit**	I.G.						
Installation . . .		0·1394	0·1339	0·0055	0·1357	0·1281	0·0076
Administration . . .		0·1450	0·1344	0·0106	0·1487	0·1335	0·0152
Distribution . . .		..	..	..	..	..	..
TOTAL .		0·2844	0·2683	0·0161	0·2844	0·2616	0·0228
4. **Aviation Turbine Fuel**	I.G.						
Installation . . .		0·0167	0·0146	0·0021	0·0162	0·0134	0·0028
Administration . . .		0·0553	0·0513	0·0040	0·0552	0·0496	0·0056
Distribution . . .		..	..	..	..	..	..
TOTAL .		0·0720	0·0659	0·0061	0·0714	0·0630	0·0084
5. **High Speed Diesel Oil**	I.G.						
Installation . . .		0·0257	0·0224	0·0033	0·0303	0·0257	0·0046
Administration . . .		0·0828	0·0767	0·0061	0·0891	0·0800	0·0091
Distribution . . .		0·1476	0·1217	0·0259	0·1463	0·1272	0·0191
TOTAL .		0·2561	0·2208	0·0353	0·2657	0·2329	0·0328
6. **Vapourising Oil**	I.G.						
Installation . . .		0·0611	0·0574	0·0037	0·0450	0·0397	0·0053
Administration . . .		0·0914	0·0847	0·0067	0·0962	0·0864	0·0098
Distribution . . .		0·0770	0·0594	0·0176	0·0994	0·0812	0·0182
TOTAL .		0·2295	0·2015	0·0280	0·2406	0·2073	0·0333
7. **Furnace Oil**	Ton						
Installation . . .		3·6317	2·6188	1·0129	4·4013	2·7724	1·6289
Administration . . .		8·1052	7·5131	0·5921	8·3937	7·1488	1·2449
Distribution . . .		1·6114	1.2621	0·3493	3·1026	2·6814	0·4212
TOTAL .		13·3483	11·3940	1·9543	15·8976	12·6026	3·2950
8. **Light Diesel Oil**	Ton						
Installation . . .		7·0656	6·3040	0·7616	7·2494	6·2868	0·9626
Administration . . .		16·6001	15·3709	1·2292	17·0204	15·2730	1·7474
Distribution . . .		14·2887	9·5934	4·6953	14·3412	9·9590	4·3822
TOTAL .		37·9544	31·2683	6·6861	38·6110	31·5188	7·0922

9.3 Comparison of marketing charges in 1956 and 1957

9.3.1 The turnover both in value and volume excluding those pertaining to International sales during these two years for the selected oil companies along with the percentage of each to the total is indicated in the accompanying table.

	1956				1957			
	Turnover		Volume		Turnover		Volume	
	Rs. lakhs.	%	Galls. lakhs.	%	Rs. lakhs.	%	Galls. lakhs.	%
Burmah Shell .	11025·4	54·7	7481·9	55·6	12526·0	54·4	8044·6	54·6
Stanvac . .	4873·7	24·2	3244·3	24·1	5542·4	24·1	3657·0	24·9
Caltex . .	3051·9	15·1	1975·6	14·7	3527·0	15·3	2146·1	14·6
I.B.P. . .	413·3	2·0	253·6	1·9	489·8	2·1	290·4	2·0
BOC (IT) .	814·0	4·0	493·6	3·7	908·3	3·9	531·8	3·6
WIODC .	..	..	..	..	43·1	0·2	38·4	0·3
TOTAL . .	20178·3	100·0	13449·0	100·0	23036·6	100·0	14708·3	100·0

9.3.2 From the foregoing it can be seen that the turnover of I.B.P., B.O.C. (I.T.) and W.I.D.C. formed only about 6% of the total. The turnover of I.B.P. was inclusive of the turnover on consignment sales on behalf of Burmah Shell. W.I.D.C's turnover practically was for one product, *viz.* kerosene, with a negligible figure for motor spirit. Turnover from B.O.C. (I.T.) was only for the reserved area of Assam Territory. Moreover, the charges of distribution and marketing for both I.B.P. and B.O.C. (I.T.) did not represent the correct charges. Some of the charges represented the debits at the experience of Burmah Shell for certain functional services rendered by the latter to these two companies. In addition, the main installations at Assam were owned by Assam Oil Co. who transferred proportionate charges to the deliveries effected to B.O.C. (I.T.) for distribution in the Assam Territory. In view of this it is considered that the marketing and distribution charges for these three oil companies should not be taken for comparison purposes. The distribution of these three companies in is effect restricted either in quantity or in jurisdiction whereas the distribution of the other three major companies is extensive throughout the country. It is, therefore, fair that a comparison is made only among the three major distributors, *viz.*, Burmah Shell, Stanvac and Caltex.

9.3.3 Even while studying the comparative charges, cost of materials (c.i.f. and landed cost etc.) is ignored, and only the marketing and distribution charges which are within the control of the distributors are considered. Moreover, the landed cost of the materials is to be based for future on the recent trends of F.O.B. quotations, marine freight, wharfage rates and customs duties. Comparison of the marketing charges only is therefore indicated in Statement No. 10.

9.3.4 The marketing and distribution charges determined as enumerated in para 9.2 gave an overall incidence per equated gallon of the all India sales (all products) as under :

	Burmah Shell		Stanvac		Caltex	
	1956	1957	1956	1957	1956	1957
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Installation	0·0422	0·0388	0·0323	0·0287	0·0364	0·0371
Administration	0·0557	0·0572	0·0848	0·0698	0·0832	0·0820
Distribution Airfield . . .	0·0704	0·0750	0·0609	0·0664	0·0631	0·0680
Depreciation upto M.I. . . .	0·0044	0.0048	0·0048	0·0048	0·0072	0·0067
Depreciation Distribution . .	0·0078	0·0080	0·0106	0·0111	0·0113	0·0134
TOTAL . . .	0·1805	0·1338	0·1934	0·1808	0·2012	0·2072

The incidences for each of the Companies shown above are different from those indicated in para 7 while discussing the trend of expenses from 1948 to 1957. In comparing the trend of expenses, the figures as recorded in the books (without effecting any adjustments while evolving a uniform formula for the industry) were taken, since it was not possible to re-adjust the data for all the four years due to absence of adequate details for the earlier years, (i.e.) 1948 and 1951.

The following will account for the difference between the two sets of figures for 1956 and 1957:

	Burmah Shell		Stanvac		Caltex	
	1956	1957	1956	1957	1956	1957
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As shown in para 7 (trend of expenses)	0·1833	0·1857	0·1872	0·1768	0·2110	0·1933
Less Adjustments for :-						
Depreciation	0·0004	0·0006	0·0014	0·0013	0·0027	0·0015
Disallowable items like bonus, bad debts, interest etc. . . .	0·0109	0·0089	0·0061	0·0099	0·0127	0·0160
4 IG tin filling	0·0016	0·0016	..	..	..	..
Other items	0·0007	0·0008	..	..	..	..
Transfers to merchandise stock .	..	..	..	..	0·0164	0·0159
Charges pertaining to International Bunkers	..	..	0·0003	0·0007	..	..
	0·1697	0·1738	0·1794	0·1649	0·1792	0·1599
Add :						
Cost of losses	0·0069	0·0064	0·0067	0·0067	0·0036	0·0045
Other charges not taken by the Co., but forming part of cost . .	0·0037	0·0035	0·0022	0·0023	0·0198	0·0231
Due to different divisors . .	0·0002	0·0001	0·0051	0·0069	—0·0014	0·0197
As shown above	0·1805	0·1838	0·1934	0·1808	0·2012	0·2072

In the foregoing computation the unit incidence under each function was arrived at by adopting the all India sales. In case the appropriate functionwise divisors were adopted the incidence per unit would be as indicated below :—

	Burmah-Shell		Stanvac		Caltex	
	1956	1957	1956	1957	1956	1957
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Installation	0·0422	0·0388	0·0323	0·0305	0·0364	0·0371
Administration	0·0557	0·0572	0·0848	0·0698	0·0832	0·0820
Distribution	0·0867	0·0914	0·0650	0·0752	0·0665	0·0716
Depreciation upto M.I. . . .	0·0044	0·0048	0·0048	0·0051	0·0072	0·0067
Depreciation distribution . .	0·0096	0·0098	0·0114	0·0126	0·0120	0·0141
	0·1986	0·2020	0·1983	0·1932	0·2053	0·2115

The unit incidence of Stanvac was, lower in 1956 and 1957 than Burmah-Shell.

9.3.5. On the same lines an attempt was made to work out the incidence per unit of all the products covered presently by the price formula except Bitumen adopting.

(*a*) the all India sales of these products, and

(*b*) the appropriate and functionwise divisors.

Such incidences are indicated in the following tables taking into account the appropriate charges :

	Burmah-Shell		Stanvac		Caltex	
	1956	1957	1956	1957	1956	1957
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(*a*) **All-India Sales:**						
Installation	0·0365	0·0330	0·0316	0·0283	0·0314	0·0323
Administration	0·0551	0·0554	0·0781	0·0670	0·0787	0·0775
Distribution	0·0721	0·0757	0·0610	0·0695	0·0684	0·0718
Depreciation upto M.I. . . .	0·0044	0·0045	0·0045	0·0047	0·0066	0·0064
Depreciation distribution . .	0·0084	0·0082	0·0112	0·0125	0·0123	0·0144
TOTAL . .	0·1765	0·1768	0·1864	0·1820	0·1974	0·2024

	Burmah Shell		Stanvac		Caltex	
	1956	1957	1956	1957	1956	1957
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(*b*) **Appropriate Divisors:**						
Installation	0·0365	0·0330	0·0316	0·0283	0·0314	0·0323
Administration	0·0551	0·0554	0·0781	0·0670	0·0787	0·0775
Distribution	0·0867	0·0908	0·0657	0·0745	0·0726	0·0761
Depreciation upto M.I.	0·0044	0·0045	0·0045	0·0047	0·0066	0·0064
Depreciation distribution	0·0101	0·0098	0·0121	0·0134	0·0131	0·0153
TOTAL	0·1928	0·1935	0·1920	0·1879	0·2024	0·2076

9.3.6. It can be seen from the above that even though the incidence for Stanvac in 1956 and 1957 apparently was more than Burmah Shell on an All India basis [*vide* table (a) in para 9.3.5.] the total of the unit incidence for each function when related to the appropriate quantities came lower in both the years than Burmah Shell [*vide* table (b) in para 9.3.5.]. Generally the distribution and installation charges were lower in Stanvac but in administration and depreciation the incidences were higher than Burmah Shell. Expenses under administration being mostly of a fixed nature should show a lower incidence with expansion of volume and this was reflected in the case of Burmah Shell. The higher incidence of installation charges in the case of Burmah Shell should have been due to either extra facilities not commensurate with the volume or expenses being higher than Stanvac. The increased incidence in depreciation in the case of Stanvac was also the result of heavy capital additions in recent years and certain uneconomic depots and retail pumps not commensurate with the volume of sales. For ready reference the order of these charges as indicated in Statement No. 10 are summarised below for 1956 and 1957 :

	1956			1957		
	Highest	Medium	Lowest	Highest	Medium	Lowest
(*i*) Motor Spirit	Stanvac	Shell	Caltex	Stanvac	Caltex	Shell
(*ii*) Kerosene	Caltex	Stanvac	Shell	Caltex	Shell	Stanvac
(*iii*) Avigas	Stanvac	Shell	Caltex	Stanvac	Shell	Caltex
(*iv*) A.T. Fuel	Shell	Stanvac	Caltex	Stanvac	Shell	Caltex
(*v*) H.S.D. Oil	Caltex	Stanvac	Shell	Caltex	Shell	Stanvac
(*vi*) Vaporising Oil	Stanvac	Caltex	Shell	Shell	Caltex	Stanvac
(*vii*) Furnace Oil	Stanvac	Shell	Caltex	Shell	Stanvac	Caltex
viii) L.D. Oil	Caltex	Shell	Stanvac	Caltex	Shell	Stanvac

It is seen from the above table that Shell's figures in 1957 are the lowest in Motor Spirit alone, Caltex's figure in Avigas, A.T.F. and Furnace Oil while Stanvac's figure in Kerosene, H.S.D. Oil, Vaporising Oil and Light Diesel Oil.

9.4. Estimated Marketing and Distribution Charges for 1958-59 and 1959-60

The incidence of these charges in 1957 per unit quantity showed varying increases for each company either from 1948 or 1951 (*vide* para 7.1. to 7.5). Before assessing the propriety and reasonableness of these charges, the reasons for the increasing trends were studied for each company and a reasonable forecast of the marketing and distribution cost has been made. As the three major oil companies, *viz*., Burmah Shell, Stanvac and Caltex almost represent the industry, the quantum determined on the basis of the forecast of these companies can be taken as reasonable for the industry. The basis the forecast of these charges for each of the three major oil companies is explained below.

9.4.1. Burmah-Shell

The company was asked to furnish adequate explanation substantiated by details justifying the increases under the various items of cost from 1948 to 1957. During the preliminary meetings, the company pointed out that they had no details in regard to 1948 and 1951 and that the explanations would be only of a general nature. It was then pointed out that although general explanations in respect of certain items which were of a minor nature were acceptable, they should give adequate details to come to a reasonable conclusion as to the propriety of these charges. The explanations ultimately furnished by the company were too general to arrive at any decision regarding the justification of the increases. In the opinion of the company data regarding the average emoluments of different categories of staff for 1948 and 1957 to assess the reasonableness of increases in emoluments in 1957 over 1948 or over 1951 was not relevant to this investigation. In view of these shortcomings there is no other alternative except to assume that the position for this company is not anything different from that of Stanvac. In the explanation furnished by the company much emphasis is placed on the increases on account of wages and salaries. The wages and salaries in respect of supervisory and managerial staff should have contributed to a sizeable increase. These constituted about 40 per cent of the total marketing and distribution expenses almost as in case of the other two companies. Barring the increases in the salaries of the lower paid staff and wages for the labour, which should not have increased more than that of Stanvac, a large proportion of the increase should have been on account of the salaries of the managerial and supervisory staff similar to Stanvac. This is an item in which the company should have effected greater control. Normally supervisory and managerial salaries should be treated more or less of a fixed nature.

In the case of Stanvac and Caltex the increase in depot expenses and retail pump outfits was mainly due to opening of new facilities and consequential additional investment not commensurate with the increased volume of throughput. There is no evidence to prove that the situation for Burmah Shell was otherwise.

Under the V.S.A. procedure, Burmash-Shell was given full opportunity to charge actual expenditure in addition to profit over these charges excluding bonus, rent/hire facilities etc. While in the case of Stanvac the incidence per unit was lower in 1957 compared to 1956 mainly due to increase in volume, for Burmah-Shell, 1957 incidence was even higher than 1956 inspite of increase in sales. Presumably, taking advantage of the position that it was the price leader under the V.S.A. procedure Burmah Shell had not had any incentive to exercise proper control as would be expected. There was no evidence to show that it had attempted any economies and such an attitude was conceivable when it was assured of the full recovery of all the expenses incurred under the V.S.A. procedure. One of the reasons for installing facilities even with uneconomical volume might be due to the above. While the unit incidence per gallon for Stanvac with a volume equivalent to less than half of Burmah Shell was lower there is every reason to expect a still lower incidence for Burmah Shell with a larger volume. But, the position was otherwise. Taking all these factors into account and in the absence of adequate data, it would not be unfair if the unit incidence is pegged at the level for Stanvac for the various petroleum products.

STANVAC

9.4.2. The incidence of all functions per unit quantity of all products showed an increase in 1957 of 35% and 18 % over 1948 and 1951. This increase was the cumulative effect of the increases under the various elements of cost enumerated in para 7.3.4. shown in statement No. 3.

Salaries and wages.

9.4.2.1. The salaries and wages etc. of the lower categories of staff increased in 1957 by about 25 % over 1948 and about 15% over 1951 due to award/adjudication and agreement with the employees union. To maintain the disparity in the level of the emoluments between lower categories of staff and supervisory staff, the company on its own initiative increased the emoluments of the supervisory staff by about 70% and also correspondingly the emoluments of the higher grade resident supervisory staff. The company refused to give the details of the emoluments of the overseas personnel for the years 1948, 1951, and 1956 and 1957 to study into the trend of the salaries. In a socialistic pattern of our Society, in which the Government is striving to narrow the gap between different classes of employees such a steep increase for the higher category on the company's own initiative is not desirable at the expense of the consumers. The total emoluments of the higher category formed about 50% of the total salaries and wages. A reduction of at least 20% for this category or about 3·2 % of the total marketing expenses is reasonable to expect. Under this item reduction is warranted.

Repairs and maintenance and supplies.

9.4.2.2. Here again, the spectacular increase over 1951 was attributed towards the increase in the cost of spares and other maintenance stores and also to the increased number of vehicles. The number of vehicles need not increase in strict sympathy with volume. Further the increase in volume had not brought any economy in the incidence per unit. In an increasing volume of sales, although the increase in the volume of expenditure is justifiable, the unit incidence should be lower and in any event not more than that in the past. The incidence in 1951 was Rs. 0·0124 per gallon. Even assuming increases in the level of prices, the incidence in 1957 should not be more than about 30% over 1951. This would give the company not only an increase in the volume, of expenditure proportionate to the volume but also an extra element to cover the variation in the price levels, since 1951. This item formed about 12% of the total marketing expenses. A reduction of about 20% in the 1957 volume of expenses is expected. This will give an overall economy of about 2·4% of the total expenses.

Ttavellig and motor car expenses.

9.4.2.3. A large portion of the expenses under this item was attributed to the allowance and the overseas furlough travelling allowance given to the overseas personnel repatriated as a result of the Indianisation policy of the Government. Such allowances reflected in one year will not be perpetual and should be treated as a deferred item. The number of foreign personnel showed decrease over the past and the incidence of such allowances in future will be definitely lower. This item formed about 7% of the total charges. The increase in the expenses was about 170% over 1951. This item is not of a variable nature. Even allowance for the general level of prices, more than proportionate increase to volume is not justifiable. If an increase of about 60 % to cover not only for price levels but also for the extensive travelling consequent on increasing sale, an incidence not more than Rs. 0·0105 per gallon is considered reasonable. This would result in a reduction of about 10% of the expenses under this item or about 0·7% of the total charges.

Sundry Expenses.

9.4.2.4. The reason attributed for the increase under this item are enumerated in para 7.3.4 (iv). Some of the items which the company indicated to have contributed for the increased expenditure were the results of the company's own liberal policy. Under this head also a reduction is envisaged. A minimum reduction of about 10% under this item on the level of 1957 expenditure is not considered difficult for the company to achieve. A reduction of about Rs. 4 lakhs will be about 0·6% of the total charges.

Depreciation.

9.4.2.5. The utilisation of the assets per 100 gallons of the products showed increasing proportion over 1951, *vide* para 7.3.4.(v). It should have been the effect of certain facilities newly added wherein the volume of sales might not have been as economical as to warrant such a heavy investment. With influx of time the written down values which form the basis for depreciation will show lower quantum, and this coupled with the increasing volume of sales in future will result in a lower incidence per unit. It is further seen that the average sales of motor gasoline, H.S.D. Oil etc., through the retail pumps showed a heavy decline in 1956 and 1957 from 1951. The company with such wide experience should have foreseen this eventuality before embarking on a huge investment on additional pumps. If there were no additions in 1958 and 1959 depreciation as calculated for 1957 will show decreasing incidence. Assuming that half the decrease in the incidence will be off-set by the depreciation on addition of assets, if any, in 1958 and 1959, still a reduction in the incidence to the extent of 10% can be anticipated. The reduction under this item forming about 9% of the total is expected to be about 0·9% of the total charges.

Advertising.

9.4.2.6. The increased expenditure was stated to have been incurred for offsetting the competitive thrust resulting from the other competitors introducing new products etc. In any price fixation such expenditure need not be recognised in full. In the distribution of petroleum products there is no evidence to prove that there is real competition as in the case of other consumer products when the entire market is mainly shared by these three major companies. A considerable economy is envisaged under this item. The increase in the expenses in 1957 was more than 100% over 1951. This item should be controllable by the firm and any increase in the unit incidence over 1951 is not justifiable. Assuming the 1951 incidence as the ceiling limit the extra expenditure in 1957 would be about Rs. 6 lakhs which the company need not have incurred. This will work out to about 0·9% of the total charges.

9.4.2.7. New York and General Representative's Office:

Since 1954, a separate establishment for the General Representative was set up in India to look after the marketing, refining and exploration. The combined debit towards New York Office and General Representative showed substantial increase as could be evidenced from the following:

	Rs. in lakhs
1948	19·8
1951	34·6
1956	31·9
1957	42·5

With the Refinery coming into production a major portion of the refined products is obtained from the local refinery. This should considerably reduce the debit from the New York Office. When the overall control is being exercised by the New York Office, the necessity for a general representative is not clear. In the 1957 charges an amount of Rs. 14·1 lakhs was included as the share for marketing and distribution. With a reduction in imports and consequently in the extent of services from New York Office, the total debit should not be more than that in 1948 but at any rate not more than 1951. Even allowing the 1951 level, the reduction in this item will amount to about Rs. 8 lakhs or 1·2% of the total.

9.4.2.8. Summary

Based on the foregoing it is considered that the level of expenditure for 1958 and 1959 should be pegged with a reduction of about 10% on the total expenditure in 1957. The volume of sales in 1958 showed an increase of about 10% over 1957. The volume of sales in 1959 has been estimated by the company at 47·49 crore gallons or about 25% more than 1957. Certain elements in the marketing and distribution expenses will vary in sympathy with the increasing volume. The average sales during 1958 and 1959 will be 17·5% more than 1957. Allowing for the variable expenses and price levels, 95% of the expenditure in 1957 is considered for the increased volume in 1958 and 1959. (The marketing charges for 1957 as evolved by this company in its analysis were exclusive of barrel storage allowance, unrecovered railway freight and commission and allowances). The overall unit incidence will be $\frac{95\% \text{ of expenditure} = 80\%}{117\cdot5\% \text{ of sales}}$ of the incidence of 1957.

In other words the company should be capable of reducing the incidence of marketing charges by 20% over 1957 incidence. On this basis the marketing and distribution charges from 1st April, 1958, are to be as indicated in the table below:

Products	Installation	Administration	Distribution	Airfield	Charges Ex-M.I.	Charges ex-upcountry	Charges ex-airfield.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Motor Spirit	0·0434	0·0918	0·1538	..	0·1352	0·2890	..
Kerosene Sup	0·1907	0·3726	0·2782	..	0·5633	0·8415	..
Kerosene Inf.	0·1907	0·3726	0·2782	..	0·5633	0·8415	..
Aviation Gas	0·0716	0·1107	0·0192	0·2063	0·1823	0·2015	0·4078
A.T.F.	0·0130	0·0389	0·0246	0·1994	0·0519	0·0765	0·2759
H.S.D. Oil	0·0190	0·0582	0·0943	..	0·0772	0·0175	..
Vap. Oil	0·0320	0·0613	0·0441	..	0·0933	0·1374	..
Furnace Oil	2·26	5·65	5·14	..	7·91	13·05	..
L.D. Oil	4·96	10·46	6·17	..	15·42	21·59	..
Bitumen	4·49	12·39	9·79	..	16·88	26·67	..

If the pattern and proportion of sales of the individual petroleum products were to be the same as in 1957, the recovery of marketing and distribution charges excluding barrel storage allowance and unrecovered freight for 1958 and 1959 volume would amount to Rs. 628 lakhs as estimated (95% of Rs. 661·18 lakhs). But it is seen that the pattern of sales in 1958 and 1959 is not identical to that in 1957. The proportion of sales from the three selling points ex-installation, ex-upcountry depots/pumps and ex-airfields, might also vary. Assuming the same proportion of sales as in 1957 for 1958 and 1959 also the total recovery of marketing and distribution charges at the revised quantum would amount to about Rs. 573 lakhs and Rs. 619 lakhs for 1958 and 1959 respectively resulting in an estimated under-recovery of Rs. 55 lakhs in 1958 and an under-recovery of Rs. 9 lakhs in 1959 or an average under recovery of Rs. 32 lakhs per year. The incidence per unit of different products varies depending upon the services needed for the sale of the products. Naturally, if the sale of a product with a higher incidence of charge diminishes either in favour of a product with a lower incidence or consequent to a general decline in demand, the total recovery is bound to fluctuate depending upon the extent of the shortfall in the sale of the former. The position will be reversed if the sale of product with a larger incidence increases. In any price fixation for an industry engaged in the manufacture or distribution of a variety of products this situation is bound to arise and the industry is expected to economise the cost due to a switch over of the demand or decline in sales unless, of course, the volume of sales is large enough to compensate for the shortfall. Such a position arises in the case of Stanvac. The company should be able to effect economies in the distribution cost to absorb the short recovery.

9.5 Caltex

9·5·1. As in the case of the other two units, this company was asked to give explanations for the varying increases in the incidence per unit volume for the various functions/elements of cost. The explanations offered were too general in nature to decide the reasonableness or otherwise of the quantum of charges in 1957 in relation to the past.

Salaries and Wages.

9·5·2. The company indicated percentage increases in wages, dearness allowance, provident fund, etc. amounting in all to about 62% oves 1948. No break up was given as to the number of persons under labour, staff, supervisory and higher management and their emoluments from 1948 to examine the increases as indicated. It can reasonably be presumed that a large proportion of the increase for labour should have been mainly due to the various awards and increase in the cost of living index. This situation is not expected to be reflected to the same extent in respect of the supervisory and higher executives.

Further in the absence of the number of people in each category from 1948 to 1957 it was not possible to assess whether the increase in the number of men was commensurate with the increase in the volume. However, from certain data furnished for the year 1957, the details of which are given below, it was observed that the average emoluments of the staff drawing basic salaries between Rs.1,000/- to 2,000/ and above Rs. 2000/- came to Rs. 2,300/- p.m. and Rs. 11,190/- p.m. respectivly. It is difficult to recognise an average salary of Rs 11,190 for 70 persons forming about 18% of the total marketing expenses. As already observed the staff drawing salaries more than Rs. 2,000/- got allowance equivalent to 156% of the basic salary while for the next lower category (Rs. 1,000 to 2,000) the allowances came to about 50% of the basic salary.

	No. of employees	Total Payment	Average emolument per month
		Rs.	Rs.
(*i*) Staff upto Rs. 1000 basic pay	3764	132,26,697	293
(*ii*) Staff from Rs. 1000 to Rs. 2000	40	11,04,686	2,301
(*iii*) Staff over 2000	70	93,99,428	11,190
TOTAL	3874	237,30,811	511

This abnormal emoluments to the management staff was discussed broadly with the company, who explained that due to non-availability of suitable personnel within the country to man the operation of the intricate marketing and ditributing organisation it had to employ foreign persnonel by offering them emouments equivalent to what they would be getting in their own country with an incentive for foreign service. It is difficult to accept the company's reasoning for payment of such huge emoluments. There are several equally complicated industries in this country owned and manned by a large number of foreign peronnel, and in nowhere it is observed that the number of staff drawing such huge amounts is large enough as in this case. There is, therefore, every justification for a sizeable reduction of the salaries of this category as also those coming under item (*ii*). A reduction of Rs. 75/80 lakhs or about 15% of the total marketing expenses should be the minimum expected. As regards other items of expenses also the company should have effected economies especially with an increasing volume. The extent of economy cannot be indicated as the company had not furnished adequate data.

9.6 Quantum of marketing and distribution charges in the formula

9.6.1. From the foregoing paragraphs it appears that the basis of Stanvac is more representative for the Industry. In spite of the increasing turnover there was no evidence to prove that Burma-Shell ever attempted to peg the marketing and distribution charges even at 1951 level per unit volume in spite of increasing sales The increases were progressive. Caltex also was not able to control the cost in spite of an increasing volume and the major factor for this situation is the very high average emoluments to the higher managerial staff amounting to Rs. 11,190/- p.m. Burmah-Shell's volume was the maximum of the three companies, Stanvac ranking second and Caltex the third. Any price fixed on the basis of a unit which lies between the maximum and the minimum should be viewed fair for the industry, since the unit with larger volume is expected normally to have a lower cost and that with the lowest the highest cost. If the principle that the unit with the lowest volume and consequently the highest cost is to be accepted there would be firstly no incentive to economise operation by any of the oil companies and secondly the profit for the other units would be abnormally high. The unit with a lower volume, *i.e.*, Caltex, should endeavour to expand its activities or explore possibilities of reducing the costs. Burmah-Shell in spite of its volume being the highest, never seemed to have attempted at any time to effect economies in its operation costs and presumably the V.S.A. agreement, under which it was assured of the full recovery of the charges, might have been responsible for the present situation.

9.6.2. The marketing and distribution expenses detailed in the table under para 9.4.2.8. do not include charges towards "Unrecovered Railway Frieght", "Barrel Storage Allowance" and "Commission and Allowances to Agents and Dealers".

(i) *Unrecovered Freight* : The oil companies represented that during the time of tank-wagon shortage and when normal routes were not open during monsoon, etc. they have to despatch in barrels and to that extent the freight incurred was over and above the bulk tank-wagon freight, it was not possible to recover the extra freight from the buyers. They also had to incur seasonal surcharges (between 1st December to 31st March) due to alternative method of supply by road in certain areas due to tank-wagon shortages. There is some force in the industry's contention but the extent to which this should be admitted depends upon the past experience among the companies. The three major companies indicated the amounts for 1957 for formula products which gave an overall unit incidence on the up-country sales as under :

	Amount	*Uuit Incidence*
	Rs./Lakhs	Rs.
Burmah Shell	81·32	0·0140
Stanvac	19·97	0·0068
Caltex	15·00	0·0082

As in the case of the marketing charges, the unit incidence for the petroleum products on the experience of Stanvac has been allowed in the formula.

(ii) *Barrel storage allowance* : When agents use their own barrels for storing the oil products, which would normally have to be supplied by the oil companies, the agents are given an allowance to cover the expenses incidental thereto. As no details were available with Stanvac and as the amount involved would not be large, Burman-Shell's incidence is adopted in the formula.

(iii) *Commission and allowance*: Burmah Shell, according to the past practice, was paying varying commissions depending upon the products to the agents and dealers which were either included in the base prices/distribution charges or charged outside the price structure. In addition, other allowances like tank-wagon. discharge allowance, leakage allowance, cartage allowance, etc. were also conceded to the agents and dealers

The details of such commission and allowances for the products covered in the formula, as furnished by Burmah Shell, are indicated below :

Product	*Commission*	*Other allowance*	
(i) Motor Spirit	19 nP per IG	Trade allowance	2·5 nP/IG
		Taxes	2·0 nP/IG
		Illumination	1·0 nP/IG
(ii) Kerosene	28 nP per 8 IG	T.W. discharge	4·0 nP/8IG
		Leakage.	13·5 nP/8IG
		Sundries	1·0 nP/8IG
		Cartage	50·0 nP/8IG
(iii) H.S.D. Oil	8 nP/IG for dealer . 3 nP/IG for agent	Leakage on barrels supplies	2·0 nP/IG
(iv) Vapourising Oil	3 np/IG	Leakage on direct supplies	3·0 nP/IG
(v) L. D. Oil	3 nP/IG	Sundries	2·0 nP/IG

It is also understood that the commission is chargeable only on sales to parties other than direct consumers and Government. The allowances are not paid to all the agents and also at all places at the same level.

The total commission paid by Burmah Shell during 1957 was Rs 354·3 lakhs and other allowances Rs. 52·7 lakhs. The remuneration for this company is fixed at Rs. 511 lakhs. The total commission and allowances paid to the agents and dealers should be much lower than the profit to the distributors. It is, therefore, considered that no special element should be allowed towards any allowance and the agents/dealers should be able to operate within the fixed commission. As most of the other allowances were intended to counteract competition, such allowances in addition to the fixed commission are not recognised in the evolution of prices. No details regarding the payment of allowances were available with the other two companies.

9.6.4 Including the quantum for unrecovered freight, barrel storage allowance and fixed commission to agents and dealers, as enumerated above, the total marketing and distribution charges at the respective selling points are indicated below for the various petroleum products covered by the price formula.

Product	Motor Spirit	Kerosene Sup. & Inf.	Avi. gas	A.T.F.	H.S.D. Oil	Vapourising Oil	Furnace Oil	L.D. Oil	Bitumen
Unit	1 IG	8 IG	1 IG	IG	1 IG	1 IG	1 Ton	1 Ton	1 Ton
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Installation	0·0434	0·1907	0·0716	0·0130	0·0190	0·0320	2·26	4·96	4·49
Administration	0·0918	0·3726	0·1107	0·0389	0·0582	0·0613	5·65	10·46	12·39
Distribution	0·1538	0·2782	0·0192	0·0246	0·0943	0·0441	5·14	6·17	9·79
Air field	..	..	0·2063	0·1994	..	..	..	..	..
Barrle Storage Allce.	0·0001	0·0174	..	..	..	0·0003	..	0·22	..
Unrecovered freight	0·0103	0·0541	..	..	0·0017	0·0040	..	5·14	..
Commission	0·1900	0·2800	..	..	0·0800	0·0300	..	7·88*	..
Total	0·4894	1·1930	0·4078	0·2759	0·2532	0·1717	13·05	34·83	26·67
Charges Ex. M.I.	0·1352	0·5633	0·1823	0·0519	0·0772	0·0933	7·91	15·42	16·88
Charges ex-upcountry	0·4894	1·1930	0·2015	0·0765	0·2532	0·1717	13·05	34·83	26·67
Charges ex-airfield	..	..	0·4078	0·2759	..	..	..	..	..

*Note :—The conversion factor to ton is adopted at 262·81 IG.

(*i*) Commission to the agents for High Speed Diesel Oil is Rs. 0·03 and this should be substituted for Rs. 0·08.

9.7. **Packed/Bulk differential for 4 I.G. Tins :** Group 4 in the break up of the formula represents the packed bulk differential for 4 I.G. Tins. The cost under this head comprises of the cost of the containers and the filling in expenses. As indicated in para 6·9 the industry contended that the differential should also include in addition to the direct cost of filling, over-heads for filling, storing and loading expenses. The Industry's contention is not agreed to for reasons already explained.

The cost ascertained for the three companies in 1957 is indicated below :

PER 100 TINS OF 4 I.G.

	Burmah Shell	Stanvac	Caltex
	Rs.	Rs.	Rs.
1. Cost of Tin Plate	Not available	134·15	133·74
2. Less Credit for scrap	"	1·90	0·64
3. Net Cost of Tin Plate	135·54	132·25	133·10
4. Other materials	13·02	8·98	6·74
5. Manufacturing cost	7·01	12·18	12·87
	155·57	153·41	152·71
6. Filling in expenses	6·72	2·95	2·26
Packed/Bulk differential for 100 Tins of 4 I.G.	162·29	156·36	154·97
Cost other than Tin Plate (2 to 6)	Not available	22·21	21·23
Quantity in Tons of Tin Plate consumed per 100 Tins	Not available	0·1118	0·1122
Average Rate of Tin Plate per Ton	Not available	1200·14	1192·31

As for the marketing and distribution charges the basis of Stanvac is taken as reasonable for the industry. As the manufacturing and filling in expenses are considered almost fixed, the cost (other than tin plate but inclusive of credit for scrap) of Rs. 22·21 for 100 containers is fixed as the quantum in the formula. Tin plate is both imported and purchased indigenously and the ratio of imported tin plate in the last three quarters of 1958 came to 64·4%, 48·5% and 50·1% for Burmah Shell, Stanvac and Caltex respectively. The average price of Tin plate in 1958 (inclusive of transport etc.) was intimated by the respective companies at Rs. 1187·41, Rs. 1196·28 and Rs. 1238·12 per ton. Based on Stanvac, the cost per container adopted for quantum is indicated below

	Per 100 Containers Rs.	
Tin Plate 0·1118 Tons .. Rs. 1196 per ton	133·71	
Other materials	8·98	
Manufacturing cost less credit for scrap	10·28	
Cost of container	152.97	
Filling Expenses	2·95	
	155·92	or say
	156.00	
(*a*) Packed Bulk differential for 4 I.G.	1·56	
(*b*) Packed bulk differential for 8 I.G.	3·12	

10. Remuneration to Distributors.

10.1. Claims of the Oil Companies towards remuneration.

10.1.1. Burmah Shell

10.1.1.1 Burmah Shell contended that a gross profit of Rs. 805·21 lakhs (£6·03 millions), before taxation, based on the profit earned by the Burmah Shell group of concerns for the year ended 31st December, 1957, was reasonable for its future operations in India. It represented that in the final computation of profit for the group the following factors had to be taken into consideration.

(i) The cost of research to be carried for maintaining the quality of the product and new explorations for finding oil resources; the necessity to finance out of the profit made by a group as a whole for the efficient operation of the oil industry; and the inevitable losses on the non-productive fields on exploration.

(ii) The additional value provided by the shareholders in excess of the nominal value of the shares at the date of formation of the companies in the form of share premium and capital reserve which form part of the investment of shareholders in these companies.

(iii) General and contingency reserves created from time to time out of profits as prudence had demanded, which could have otherwise been distributed to the shareholders but ploughed back with the intention of further strengthening the companies.

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(iv) Long term loans from shareholding companies for financing the Burmah Shell Group as these were just as much a part of shareholders investment in the groups trading in India as the paid up capital subscribed by the same shareholders.

(v) Long term loans standing to the credit of the associated companies which had contributed materially to the financing of trading activities in India.

The company contended that no return could be classified as "fair and reasonable" unless the full amount of outlay by the share holding companies was taken into account and recommended on the full tax free basis. The capital employed claimed for the group for the year 1957 was as under:—

		Rs. lakhs
Issued Capital and Capital Reserves	£14·76m	1971·4
General taxation equalisation and Insurance Reserves	£2·31m	308·5
Long term loans	£20·98m	2802·2
Capital employed	£38·05m	5082·1

(vi) The profit of £6·03 millions or Rs. 805·4 lakhs when related to the above would yield a gross return of 15·85% and a net return of Rs. 285·8 lakhs or 5·62%. The Company contended that this percentage of net return should not be considered as unreasonable when similar concerns like Royal Dutch/Shell and British Petroleum earned a gross profit of 19·7% and 35·1% respectively, which yielded them a net return of 11·7% and 15·2% respectively. The profit indicated above was after meeting all the charges like bonus, bad debts, interest outgoings, if any, etc. but after adjustment for the proportionate earnings of B.O.C. (IT) for Assam activities and generally for Goa and activities other than Petroleum trading. In the above computation of capital employed the company had not taken into account the credit of the profit and loss account which should normally be included.

10.1.1.2 Burmah Shell in its original note treated the amount 'due to the associated companies' as a current liability. In its subsequent letter it represented that remuneration should be given on a tax free basis on this amount as well by including this under capital employed. In computing the capital employed only 'long term loan from shareholding companies' *i.e.* £20·98 millions was taken as an elemnt of capital employed and the amount of £9·56 millions as current liability as originally agreed to by the company. In the case of Stanvac an amount of Rs. 5·74 crores towards "notes and loans payable" was treated as a current liability for the computation of capital employed. But in calculating the minimum requirements for this company the interest actually paid was recognised. If Burmah Shell group would have resorted to outside borrowings to the extent of £9·56 millions, it would have paid interest. As this amount was actually financed by its associates there was no outgoing of interest. It is, therefore, considered fair to recognise interest at 5% on this advance also.

10.1.1.3. This company subsequently claimed in its letter A/Cs Private 43(a) dated 12-3-59 that the remuneration should be £6·766m or about Rs. 9·04 crores inclusive of the commission payable to IBP on consignment sales but exclusive of that on chemicals. This where related to the capital employed now revised at £49·07 m or Rs. 65·54 crores worked out to 13·8%. It also expressed that for determining the share of profit on the products covered by the formula, the profit earned on non-formula products should be retained at the same level as hitherto. The profits on the non-formula products at the levels in the past were estimated at £1·355 millions or Rs. 1·81 crores leaving a balance of £5·411 millions or Rs. 7·23 crores for formula products. It also suggested that the formula products should be split up into two groups as under:

Group A	Group B
Motor Spirit	Furnace Oil
Kerosene	Bitumen
Aviation Spirit	
Aviation Turbine Fuel	
High Speed Diesel Oil	
Vapourising Oil	
Light Diesel Oil	

and that all group 'A' products should bear the same incidence of remuneration on the ground that the F.O.B. valuations would be approximately within the same price range (about 9 cents per American Gallon). As regards Aviation Spirit, although this does not fall within this FOB price range, its views were that it should not be treated differently partly to aim at simplicity and partly to the gradual decline in the sales of Aviation Spirit in favour of Aviation Turbine Fuel. As regards products covered by group B the company contended that the remuneration for Bitumen should be fixed at Rs. 15/- per ton based on D.G.S. & D. business for all classes of trade. As regards furnace oil, a remuneration of Rs. 10/- per ton which was approximately the same as hitherto was suggested.

As for remuneration the company suggested that even the installation and administration expenses should be averaged for all the group 'A' products on the one hand and group 'B' on the other.

The industry, while submitting the formula for the refined products, suggested the remuneration element as a percentage of total statutory landed cost. The remuneration so arrived at would stand firm regardless of any movement in the elements making up the total statutory landed cost. The reasons attributed by this company for changing its original views were to aim at simplicity and to ensure the full realisation of the remuneration irrespective of any change in the pattern of sales. The request of the company is not agreed to.

10.1.2. **Standard Vacuum Oil Company**

Standard Vacuum Oil Company claimed a net profit of Rs. 200·58 lakhs after the payment of all charged and making adequate provision for Income-tax. This represented a return of 3·57% on turnover and 7·89% on the capital employed as computed by the company. The company stated that the marketing operations in 1957 should have produced a net profit referred to above. The capital employed represented the cost of fixed assets plus working capital plus bank loans. In case other definitions of capital employed were recognised the company represented that the rate of return must be so modified as to yield such a net return. In arriving at this net profit the following factors were stated to have been considered by the company.

"(a) Risk inherent in any business which calls for a large investment in facilities and inventory having a high turnover but operating on a narrow margin of profit.

(b) The obligations of any company to supply an essential service at lowest prices consistent with preserving the company's credit and its ability to continue to serve the Indian economy in response to consumer demand and with full consideration to public safety.

(c) The amounts required to create adequate reserves, pay reasonable dividends, attract capital for the future and preserve values already created.

(d) The amount and rate of return that could be obtained in the same industry in other countries.

(e) The amount and rate of return actually earned in India considered over a period of a sufficient number of years as to average out unusual circumstances and business cycles."

The company also expressed that it would have no objection if instead of taking a particular year, the average profit earned either in the last 5 years, 1953 to 1957, or any five consecutive years within a period of last 10 years was considered. It desired that the results for the years 1955, 1956 and 1957 could not be taken representative since it was prevented from adjusting prices to the extent required during those periods as a result of Government action and the price levels existing in those years were arbitrarily and artificially depressed.

10.1.3. Caltex (India) Ltd.

This company claimed that a net return to shareholders after provision for taxation and development rebate reserve should be at 10% on the invested capital comprising of

(a) Paid up capital
(b) Undistributed profits, and
(c) Full suppliers accommodation.

The returns in respect of other interest bearing capitals such as bank loans should be made available to the company over and above this 10% return.

This company estimated the invested capital as under:

	1957	Estimated in 1958
		(in '000 rupees)
Paid up capital	9,815	9,815
Undistributed profits	4,710	1,800
Suppliers accommodation	1,39,800	1,37,899
TOTAL	1,54,325	1,49,514

The company put in a claim for a 10% net return on the average invested capital, *viz*, Rs. 1·5 crores after providing for taxation.

The company computed its capital employed at Rs. 1508·16 lakhs comprising of Rs. 576·91 lakhs in fixed assets and Rs. 931·25 lakhs working capital and wanted a net return of 9·95%. The development rebate claimed by the company was Rs. 15 lakhs.

10.2. Structure of Capital

10.2.1 The three major oil companies were generally agreeable to base the return on capital employed. They, however, desired that the percentage of return should be such as to yield them a fair and reasonable return after meeting all charges like Income-tax, Corporation tax, Wealth tax, Bonus, interest on borrowings and bad debts which were not reckoned as items of operating cost.

While determining the return, the companies requested that the profits earned by the oil companies in U.K./U.S.A. should also be taken note of.

10.2.2. The oil companies marketing petroleum products in India especially the three major companies, *viz.* Burmah Shell, Stanvac and Caltex have their associate concerns overseas and their trading activities are being financed by them. The capital structure differs among the companies. As already indicated, Burmah Shell is a limited company incorporated in England, Stanvac is a branch of the Standard Vacuum Oil Company, New York, the holders, while Caltex is a limited concern incorporated in the Bahama Islands.

10.2.3. There is no paid up capital for Stanvac. The paid up capital of Caltex was Rs. 98·15 lakhs as on 31st December, 1957.

The paid up capital of Burmah Shell was £10 millions at the end of 1957. The financing of its activities in India is being done by the foreign associates by long term loans from the shareholding companies. Burmah Shell is only a distributing agent in India on account of its consignors. As Burmah Shell owns no stock of oil as it is on consignor's account, a true picture of its financing cannot be obtained without taking into consideration the assets of its consignors in so far as they refer to Burmah Shell's trading. The balance sheets for the three consignors for their Indian activity are separately available and the capital structure of the three consignors along with Burmah Shell has been taken to arrive at the capital structure for the distribution of petroleum products by Burmah Shell in this country. The balance sheet of B.O.C. (IT) includes the activities in Assam territory which is not being catered by Burmah Shell. Due adjustments have been made for this factor. Similar adjustments are also made for the activities other than petroleum trading in India and for the activities in Goa.

While consolidating the capital structure, the assets of the Assam Oil Company (installation and distribution facilities) which would otherwise have resulted in additional expenditure to Burmah Shell should normally be taken. But the captial structure of B.O.C. (IT) for its activities in Assam Territory will also have to be bifurcated. It is presumed, in the absence of adequate details, that one will almost offset the other. It is, therefore, considered enough if adjustments for the indigenous stocks actually located in the Burmah Shell marketing area are made.

Indo Burma Petroleum Co. is a public limited company with a paid up capital of Rs. 150 lakhs as on 31-12-1957. This company is being financed by its foreign associate and managing agents but the peculiarities as in the case of the other three units do not arise in this case.

Analysis of the trading results.

10.3. An analysis into the trading results is made for 1955-57 for Burmah Shell for which period only details were made available; 1951—57 in the case of both Stanvac and Caltex. Burmah Shell earned a gross surplus of Rs. 25·43 crores during the three years 1955-57, Stanvac of Rs. 21·26 crores during the 7 years 1951-57, Caltex of Rs. 10·71 crores during the 7 years 1951-57. These profits when related to the average capital employed during these years worked out to 18·79% for Burmah Shell 24·40% for Stanvac and 12·42% for Caltex (*vide* statement 11). In all the three major companies the percentage of profit to capital employed generally showed a downward trend. In the case of Burmah Shell the percentage of profit on capital employed showed a downward trend since 1955. This trend was due to lower profits and larger capital employed.

In Stanvac the profit during 1955 to 1957 was almost the same for increasing turnover. The capital employed for the increased turnover during these years did not show any significant variation with the result the percentage of profit on capital employed was almost the same during these years.

In Caltex the profit earned showed diminishing percentages since 1955. The gross profit decreased but the capital employed increased more than the increase in turnover.

Stanvac and Caltex contended that their profits in the later years should not be a guide. Caltex further represented that the back log of the then valued stock account procedure was reflected in those years and hence an average of a longer period of 5/6 years had to be considered. Moreover, the prices in the later years were according to them arbitrarily and artificially depressed by Governmental action in not giving them the option procedure of increasing the prices.

Analysis by the Reserve Bank.

10.4.1. The analysis conducted by the Reserve Bank into the gross profits of a number of Indian industries both manufacturing and trading revealed the earning capacity of 7·6% to 10·2% on capital employed during the years 1950—55. In regard to trading units the percentages of gross profit ranged between 2·9% to 8·2%. On a similar analysis on the return on foreign investment in India during 1953—55, the Reserve Bank came to a conclusion that the return for U.K. and U.S.A. companies worked out to 12% in 1953 and 10% in 1955; the higher percentage in 1953 was explained to be due to the abnormal profits earned on plantation investments. They also furnished figures of manufacturing and trading activities as under:—

	1953	1955
	percentage	percentage
Manufacturing	10·1	10·8
Trading.	7·3	6·5

They also came to the conclusion that the trading companies on the whole earned a lower rate of return than those engaged in the manufacturing activities.

10.4.2. The relevant extracts from the Reserve Bank bulletin dated May 1958 on return on foreign Investments are given below:—

> "A comparison of the profit ratios of the foreign companies with the corresponding data in respect of 750 public limited Indian joint stock companies, mainly Indian owned concerns, shows that the return on the investments to foreign companies is somewhat higher. The public limited Indian companies earned a return of 6·8 per cent in 1953 and 9·4 per cent in 1955 as against 12·1 per cent and 9·9 per cent, respectively, for foreign companies. The foreign companies are mainly concentrated in petroleum, plantation and cigarette and tobacco and a few other select fields while the public limited Indian companies cover a more representative list of industries. The earnings of foreign companies particularly in the plantation group which accounted for nearly one-third of the total investments covered, are to a large extent influenced by export demand and as mentioned earlier, higher earnings of this industry in 1953 resulted in raising the overall ratio of profits of the foreign sector.
>
> Compared with the rate of return on investment in their respective home countries, the return to the foreign companies in India is greater. Data collected by the Federal Reserve System for 300 large corporations in the U.S.A. show that the average earnings for the year 1953 and 1955 amounted to about 10-12 per cent of the net worth as against a return of about 13 per cent secured by the U.S.A. companies in India. The data on company finances covering some 2,700 U.K. companies collected by the Economist, London indicate, a return of 8-9 per cent for the two years compared with the rate of 12 per cent in 1953 and over 9 per cent in 1955 earned by the U.K. Companies in India."

10.4.3. Based on the foregoing the return on capital employed earned by the three major distributors of petroleum products ranging from 14·3% and upwards during 1951—57 should be regarded as excessive except in 1957 for Caltex.

10·5. Base on which a return is to be calculated.

10·5·1. The Tariff Commission, while fixing prices of commodities like rubber tyres, cement etc. calculated the remuneration to the entrepreneurs as a percentage on capital employed. In the balance-sheets of the oil companies the liabilities to the foreign associates and goods supplied were merged as current liabilities. The companies contended that these amounts should form part of invested capital. Normal financing is either in the form of straight borrowings or a goods supplied on long term credit. It is, therefore, necessary to adjust for the normal liabilities, for goods supplied before determining the capital employed for Burmah Shell and its consignors in India, Stanvac and Caltex.

10·5·2 All the oil companies contended that the paid up capital as shown in the Balance-Sheet (in the case of Stanvac there is no paid up capital as such) represented only a small fraction of the total capital employed and that capital alone should not rank for tax free dividend. Of course, it is true that for Caltex the paid up capital of Rs. 98·15 lakhs formed only 8·2% of the capital employed in 1957 but in the case of Burmah Shell group the share capital was 35·8% and the balance of capital employed was represented by free reserves and loans from associates. The share capital of Burmah Shell group can be considered as representative.

10·5·3 The capital employed computed for these companies, shown in statement No. 11, showed progressive upward trend. The position in respect of each of the companies is indicated below:—

10·5·3·1 Burmah Shell

The ratio of capital employed to the turnover was as follows :—

	1955	1956	1957
	%	%	%
Ratio to turnover			
of net fixed assets	10·43	10·87	10·39
of working capital	28·27	30·04	30·43
of capital employed	38·70	40·91	40·82

If the capital employed is related to the volume of sales the following would be the position :

	1955	1956	1957
Incidence per unit volume in Rs.	Rs.	Rs.	Rs.
towards net fixed assets	0·1501	0·1602	0·1617
towards working capital	0·4066	0·4427	0·4738
towards capital employed	0·5567	0·6029	0·6355

It could be seen from the above that the incidence towards working capital either on turnover or unit volume showed more significant increases than that towards fixed assets. The incidence of net assets per unit volume in 1957 recorded an increase of about 8% over 1955. Normally, the incidence for increasing volume of sales should show a downward trend as the net value of assets would diminish with the influx of time. It might be that the additional investments were warranted in the distribution facilities for an increased volume especially in the case of retail pumps, etc.

The incidence of working capital per unit volume showed an increase of about 9% in 1956 and about 17% in 1957 over 1955. The working capital would normally increase *prorata* to the increase in volume of sales. Even after allowing for the increase in the prices of the various petroleum products, it is considered that the increase of 17% in 1957 over 1955 was on the high side. The only conclusion that could be drawn is that the inventory position should have been more than proportionate compared to the previous years. Moreover, the increase in 1957 over 1956 was almost the same as that in 1956 over 1955, *i.e.*, a progressive increase of about 7½% .

The fixed assets and working capital constituted about 30% and 70% respectively of the capital employed. With an average cost of sales of all products at Rs. 1.5886 per unit volume the working capital in 1957 denoted 3½ months cost of turnover.

10·5·3·2 Stanvac

This company has balance sheet and profit and loss accounts only in American currency. For the purpose of the following tabulation the dollar currency in the Balance Sheets was converted into rupee currency at the exchange rate. The carry over figure towards net fixed assets in the balance sheet prior to devaluation was also converted at the same exchange rate which will notionally inflate the rupee equivalent after devaluation. If the entire balance sheet in dollar currency was converted the day prior to devaluation and the rupee equivalent taken as such subsequent to the date of devaluation the net fixed assets would show a lower figure. But this aspect is ignored in arriving at the capital employed. As such a computation is only to relate the ratio of the profitability on capital employed of the past years the findings will not be vitiated. Instead of the rupee currency if the figures are taken at the dollar currency the same will be the result.

The following table shows a similar position as for Burmah Shell varying only in degrees.

	1951	1952	1953	1954	1955	1956	1957
	%	%	%	%	%	%	%
Ratio to turnover							
of net fixed assets .	6·08	7·76	10·75	12·17	12·75	12·94	12·10
of working capital .	14·72	22·56	14·87	18·84	22·05	18·47	15·28
of capital employed .	20·80	30·32	25·62	31·01	34·80	31·41	27·38

The two elements in the capital employed are compared to the volume of sales of all products as under:—

	1951	1952	1953	1954	1955	1956	1957
Incidence per unit volume towards							
Net fixed assets . .	0·0869	0·1217	0·1660	0·1874	0·1844	0·1907	0·1786
working capital . .	0·2103	0·3539	0·2296	0·2900	0·3190	0·2723	0·2255
capital employed .	0·2972	0·4756	0·3956	0·4774	0·5034	0·4630	0·4041

Even though the ratio of net assets to turnover showed continuous increases since 1951 it had dropped in 1957. However, the increase in 1957 was nearly 100% over 1951. The remarks mentioned under Burmah Shell equally apply in this case also. The ratio of working capital in 1957 compared favourably with that in 1951 even though in the intervening periods the increases were substantial, barring 1953.

The incidence of fixed assets per unit volume of sales shot up from Rs. 0.0869 in 1951 to Rs. 0·1786 in 1957, *i. e.* by 100%. The observations made in the case of Burmah Shell hold good here also. But the incidence of working capital of Rs. 0·2255 in 1957 was comparable with Rs. 0·2103 in 1951. This incidence was the highest in 1952 and had been decreasing with the increase in volume since 1955. In other words, the company must have been enconomising its investment on working capital.

The composition of the capital employed for this company was about 45% towards fixed assets and about 55% towards working capital. Compared to Burmah Shell this company had invested more in fixed assets and less in working capital. The combined effect of these two elements was lower than Burmah Shell by 36%. With an average cost of sales of all products at Rs. 1·3864 the working capital represented about two months cost in 1957.

It may be difficult to maintain a constant ratio for the fixed assets with the increased volume of sales as this will be influenced by various considerations like provision of new facilities, sometimes with an uneconomical turnover, increasing cost of assets based on the current pattern of prices, etc. But the investment on working capital normally is controllable. The ratio of working capital to unit sale should not show any fluctuation but for changing price levels. This aspect was reflected in this company better than Burmah Shell.

Caltex :

The figures of Caltex also reflected the same position in a greater degree.

	1948	1951	1952	1953	1954	1955	1956	1957
	%	%	%	%	%	%	%	%
Ratio to turnover								
of net fixed assets .	5·58	4·39	6·99	10.69	13·13	16·14	15·64	14·80
of working capital .	1·34	5·37	7·35	8·55	4·75	5·43	10·63	17·74
of capital employed	6·92	9·76	14·34	19·24	17·88	21·57	26·27	32·54

The incidence of the two elements, *viz.*, net fixed assets and working capital per unit volume of sales was as under :—

Incidence per unit volume in Rs.								
towards fixed assets .	0·0698	0·0670	0·1126	0·1687	0·2068	0·2426	0·2417	0·2249
towards net working capital .	0·0168	0·0820	0·1184.	0·1350	0·0748	0·0816	0·1644	0·2697
towards net capital employed .	0·0866	0·1490	0·2310	0·3037	0·2816	0·3242	0·4061	0·4946

From the above it could be observed that the capital employed showed a continuous increasing trend both in relation to turnover and volume of sales.

The ratio of capital employed to turnover registered abnormal increase in 1957 of about 370% compared to 1948 and 233% compared to 1951. Even though the ratio of net assets showed a slight decline in 1951 from 1948, the ratio in 1957 was as much as 165% and 237% over 1948 and 1951 respectively. But the working capital ratio in 1951 had gone up to 5·37% from 1·34% in 1948. The increase in 1957 was 230% over 1951, being the maximum of all the years. The ratio of this element in 1956 resulted in 100% increase over 1955 and in 1957 a further increase of 67% over 1956. The progressive increase in both the elements in relation to turnover is considered excessive. The capital employed in relation to volume reflected almost a similar picture.

Even though the ratios of capital employed to turnover and the incidence of the same to volume of sales showed progressive increases higher than Burmah Shell yet the over all position in 1957 was midway between Burmah Shell and Stanvac as can be seen below :

	Ratio of capital employed to turnover			Incidence of capital employed to unit volume of sales		
	Burmah Shell	Stanvac	Caltex	Burmah Shell	Stanvac	Caltex
	%	%	%	Rs.	Rs.	Rs.
Net assets	10·39	12·10	14·80	0·1617	0·1786	0·2249
Working Capital	30·43	15·28	17·74	0·4738	0·2255	0·2697
Capital employed	40·82	27·38	32·54	0·6355	0·4041	0·4946

The composition of capital employed for this company was 45% towards fixed assets and 55% towards working capital. The working capital in 1957 worked out to 2¼ months cost based on an average cost of sales of Rs. 1·4793 per unit volume.

10·6. Trading Results of Foreign Companies : A similar analysis was made in respect of some of the oil companies in the United States, *vide* statement No. 12. These oil companies are composite concerns having exploration, refining and distribution and their activities cover international trading. Hence the operating results of these companies are to be used for a limited purpose of studying the ratio of capital employed to turnover. It is observed therefrom that the ratio of capital employed showed a downward trend for increasing turnover. The ratio of profit (before taxation) to capital employed was as under :

Name of the company	Period	%
Ashland Refining Co., Kentucky	1948–57	18·94
Standard Oil Co., New Jersey	1956–57	19·27
Standard Oil Co., Ohio	1956–57	13·21
Standard Oil Co., California	1956–57	13·61
Standard Oil Co., Kentucky	1956–57	28·87
Cosdon Petroleum Corpn.	1956–57	31·50
Socony Mobil Co.	1956–57	13·67

It will be observed that even in the U.S.A. where generally the profits are much higher than other countries, some of the oil companies earned only about 13% return on capital employed before taxation. This return is an overall return for refining and distribution in addition to exploration.

10·7 Earnings from refining and distribution : While submitting the views on return Burmah Shell represented that the gross return of 16·53 per cent, expected by the group on the operations in India based on 1957 working, should not be considered unreasonable when compared with the profits of 19·7 per cent and 35·1 per cent in 1957 of Royal Dutch Shell and British Petroleum respectively. Almost all the companies in U.K. and U.S.A. are engaged in other activities like exploration, refining, in addition to distribution. Burmah Shell and Caltex are not exploring oil in India and Stanvac to a limited extent only. The combined profits of the refineries and the marketing side of the three oil companies represent profits exclusive of exploration side. The profits for Caltex refinery for 1957 cannot be taken as representative, as it came into stream only from May 1957.

Burmah Shell Refinery is associated with Burmah Shell Group of distributors, while Stanvac Refinery is a local activity of Stanvac Oil Company, New York, the holders of Stanvac. Caltex Refinery processes crude on behalf of Caltex.

In any manufacturing activity, the two aspects, *i.e.* production and distribution, are to be considered as a composite one and profits from both the activities should be taken. The profits on refining and distribution for Burmah Shell and Stanvac when related to the capital employed are as under :

Year	BURMAH SHELL			STANVAC		
	Refining	Distribution	Total	Refining	Distribution	Total
	%	%	%	%	%	%
1955	18·60	22·52	20·84	13·81	21.04	17·96
1956	33·72	19·02	24·87	12·74	20·10	16·85
1957	19·58	15·75	17·23	13·67	21·40	17·78
Average	23·90	18·79	20·85	13·41	20·85	17·53

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The details are shown in statement No. 13. The above percentages are as high as those for the oil companies in U.S.A. and U.K. Based on the rate of return for the indigenous and foreign investments in this country indicated by the Reserve Bank of India, *vide* paragraph 10·4, these percentages are to be viewed as high.

10·8. **Return of Capital Employed :**

10·8·1. The ratio of capital employed to turnover based on the foregoing analysis, showed a continuous increase in the case of the local oil companies which was reverse to the trend even among the oil companies in the States. In any trading activity progressive increase in volume should normally result in decreasing trend in capital employed per unit. It is, therefore, considered that the capital employed as computed and shown in statement No. 12 should be pegged at the 1957 level even for the increasing turnover.

10·8·2. Before arriving at an adequate return on capital employed, payment of interest on loan capital and borrowings, and other items of expenditure like bonus, etc. which are not reckoned as elements of cost, dividend on paid-up capital, Income-tax, Wealth Tax, etc. which are treated as appropriations of profits, have to be considered.

Long-term loans either from Banks or associates should be treated as one of the normal features of financing. Based on the structure of financing the capital employed, items other than paid up capital and free reserves, have been treated as borrowings for which interest charges have been reckoned. A major portion of this interest will accrue to benefit of the shareholding companies. Only when interest is actually paid it is treated as an outgoing from the profit when it will be exempt from taxation. Interest on the amount advanced by the shareholding companies or foreign associates is not actually paid. Interest (@) 5% on these advances has been treated as an outgoing from profits and subject to tax relief. In addition the interest payable on short-term loans etc. is also taken into account.

The oil companies are at present paying bonus to clerical staff and labour. This varied from 3 to 4 months on the basic salaries/wages. Generally this payment is related to the profits earned. In computing the return, bonus at the rate of two months of the basic wages is provided as reasonable.

Due provisions for Wealth tax and Income-tax have been made. The Income-tax payable by the Oil companies based on their individual assessment orders varied in percentages to total book profits, depending upon the various concessions during the year of assessment. As depreciation at normal Income-tax rates only is provided, it is but fair to allow the present slab rate of 61·5%.

10·8·3. In calculating a reasonable dividend on paid up capital the figures as shown by the balance sheets as at the end of 1957 for Burmah Shell and its consignors and Caltex are taken. In the case of Stanvac, there is no paid up capital as such. The amount standing to the credit of the New York Office figured at Rs. 1319·2 lakhs in 1957 and Rs. 1234·5 lakhs in 1956. This is an account current with its Head Office overseas after adjusting all liabilities. This was varying each year. After adjusting the proportionate amount applicable to Indo-Stanvac Project, the credit to the New York Office pertaining to the trading activities would be Rs. 1234·5 lakhs and Rs. 1073·7 lakhs during 1956 and 1957 respectively. This entire amount cannot be taken to represent the paid up capital. Based on Burmah Shell a proportion of 40% of the total capital employed can be treated as a national paid up capital for Stanvac. For computing the total return for this company for 1957, dividend is based on this assumed paid up capital, *i. e.*, Rs. 600 lakhs. The balance of the capital employed is taken as long-term loans advanced by the holders or foreign associates.

10·8·4. The profit for each of the companies is assessed in such a way as to yield a net tax free dividend of 6 per cent on the paid up capital (actual or notional) after meeting all the outgoings referred to earlier. This profit in relation to capital employed will show the following percentages :

Companies	Capital employed	Profit	Percentage of profit on capital employed
	(Rupees in	lakhs)	
Burmah Shell	5113·1	524·2	10·2
Stanvac	1537·0	178·0	11·6
Caltex	1193·7	86·1	7·2

It is seen that the return on capital employed for 1957 gives the lowest percentage for Caltex, next higher to Burma Shell and highest to Stanvac. As Caltex's capital structure cannot be taken as representative and as the figure for Stanvac, in spite of a lower incidence of capital employed per unit volume of sale is assessed only notionally it is considered that Burmah Shell should be taken as fair and reasonable in the assessment of remuneration for the industry.

10·8·5. However, to obtain a comparative picture, the computation of net distributable surplus at these percentages is indicated as well as its relationship to the paid up capital for Burmah Shell and Caltex and on the notional amount for Stanvac.

10·8·5·1 (*i*) If the lowest percentage of Caltex rounded to 7·5% is considered reasonable for the industry, the return on the capital employed and surplus for each Company in 1957 will be as under:

	Burmah Shell Group	Stanvac	Caltex
	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs
Capital employed	5113·07	1537·01	1193·74
Return at 7·5%	383·48	115·28	89·53
Less Bonus as above	23·66	9·52	10·02
Interest paid on short loans etc.	..	22·87	7·57
Interest provided at 5% of the loan capital	203·78	46·85	52·43
Wealth Tax	11·55	5·24	0·77
	144·49	30·80	18·74
Assessable surplus	144·49	30·80	18·74
Income-Tax	88·86	18·94	11·53
Net Surplus	55·63	11·86	7·21
Paid up Capital	1829·84	600·00	98·15
Net surplus as a percentage on paid up capital	3·04%	1·98%	7·35%

In the above computation, interest at 5% on the loan capital is assumed to have tax relief. As already stated, a major portion of the capital employed is financed through advances by the shareholding companies and hence interest assumed on these will go to the benefit of the shareholders.

10·8·5·1 (*ii*) As interest on loan capital provided above is not subject to tax relief as it is not an actual outgoing, the return on capital employed in the preceding para will yield a net surplus on the paid up capital as indicated below :

	Burmah Shell	Stanvac	Caltex
	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs
Return on capital employed as above	383·48	115·28	89·53
Less Bonus	23·66	9·52	10·02
Interest paid	..	22·87	7·57
Wealth Tax	11·55	5·24	0·77
Assessable Surplus	348·27	77·65	71·17
Income-tax	214·19	47·75	43·77
Net Surplus	134·08	29·90	27·40
Net surplus as a percentage on paid up capital	7·33%	4·98%	27·92%

10·8·5·2 (*i*) If the highest percentage of Stanvac, rounded to 11·5% is considered reasonable for the industry, then the position will be as under:

	Burmah Shell	Stanvac	Caltex
	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs
Return at 11·5% on capital employed	588·00	176·76	137·28
Less Appropriations as in para 10·8·5·1(*i*)	238·99	84·48	70·79
Assessable surplus	349·01	92·28	66·49
Income-tax	214·64	56·75	40·89
Net surplus	134·37	35·53	25·60
Net surplus as a percentage on paid up capital	7·34%	5·92%	26·08%

10·8·5·2 (*ii*) Similarly, if interest on loan capital is not paid and is therefore not subject to tax relief, the yield on the paid up capital will show the following percentages:

	Burmah Shell	Stanvac	Caltex
	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs
Return at 11·5%	588·00	176·76	137·28
Less Appropriations as in para 10·8·5·1(*ii*)	35·21	37·63	18·36
Assessable surplus	552·79	139·13	118·92
Income-tax	339·97	85·56	73·14
Net surplus	212·82	53·57	45·78
Net surplus as a percentage on paid up capital	11·63%	8·93%	46·64%

10·8·5·3 (*i*) If the percentage of Burmah Shell rounded to 10% is considered reasonable for the industry, the return on the capital employed and surplus for each distributor will be as follows :

	Burmah Shell Group	Stanvac	Caltex
	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs
Capital employed	5113·07	1537·01	1193·74
Return at 10%	511·31	153·70	119·37
Less: Appropriations as in para 10·8·5·1 (*i*)	238·99	84·48	70·79
Assessable surplus	272·32	69·22	48·58
Less: Income-tax	167·48	42·57	29·88
Net distributable surplus	104·84	26·65	18·70
Net surplus above as a percentage on paid up capital	5·73%	4·44%	19·05%

10·8·5·3 (*ii*) If interest at 5% on the loan capital is not to be taken into account as an outgoing and hence not subject to tax relief, the net surplus for the three distributors will be as follows:

	Burmah Shell	Stanvac	Caltex
	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs
Return at 10% as above on the capital employed	511·31	153·70	119·37
Less Appropriations as in para 10·7·5·1 (*ii*)	35·21	37·63	18·36
Assessable surplus	476·10	116·07	101·01
Less Income-tax	292·80	71·38	62·12
Net distributable surplus	183·30	44·69	38·89
Net surplus as a percentage on paid up capital	10·02%	7·45%	39·62%

10·8·6. In an industry like petroleum products distribution where considerable research not only for maintaining the highest quality of the products but also in the development of distribution will be necessary, a small eventual surplus return to a particular unit is not undesirable. The oil companies in other countries earn higher returns on capital employed utilised for exploration, refining and distribution. The Tariff Commission, in the fixation of prices of some of the major commodities, recommended a return of 10% on capital employed. In a number of cases, either for protection or for price fixation, the Tariff Commission recognised working capital equivalent to three to six months depending upon the nature of the industry. In the petroleum products distribution industry, with a turnover of about Rs. 200 crores, a sizeable portion is met from imports.

In addition, the return on capital employed in 1957 is absorbed over the average sales in 1958 and 1959. In other words, even the increase in working capital for a progressive expected increase in turnover is not recognised in determining the return to the industry.

10·9. Allocation to group of products:

10·9·1. Before coming to any conclusion as to which of the percentages enumerated in para 10·8·4. on the respective capital employed for the companies should be considered reasonable for the industry, it is essential to determine the incidence for the individual petroleum products with the three percentages and calculate the earnings of each of the companies on its respective turn over to verify which would give an adequate return to all the companies to meet their commitments and declare a reasonable dividend as pattern of sales may till the overall recovery. Since the products not covered by the formula are grouped together due to non-availability of data from the Oil Companies, it has become difficult to determine the quantum per unit of the various products coming under this group, except on an overall basis. The products covered by the present investigation are, therefore, grouped under three heads, *viz.*, (1) bulk products other than Bitumen, (2) Bitumen and (3) other non-formula products. The total profits are allocated among the three groups mentioned above.

10·9·2. The ratio of turnover both in value and volume along with the profit margin (on a uniform basis of distribution of the marketing expenses as evolved for the formula) for the three major companies for 1956 and 1957 is shown below:

	Burmah Shell		Stanvac		Caltex	
	1956	1957	1956	1957	1956	1957
	%	%	%	%	%	%
(1) *Realisation:*						
(*i*) Bulk products other than Bitumen	84·9	82·2	83·1	82·9	83·0	85·1
(*ii*) Bitumen	4·4	4·2	3·6	2·1	5·0	3·6
(*iii*) Other non-formula products	10·7	11·6	13·3	15·0	12·0	11·3
(*iv*) TOTAL	100·0	100·0	100·0	100·0	100·0	100·0
(2) *Volume* :						
(*i*) Bulk products	86·4	86·5	90·0	86·1	87·8	90·4
(*ii*) Bitumen	4·7	4·5	3·9	2·2	6·0	4·2
(*iii*) Others	8·9	9·0	6·1	11·7	6·2	5·4
	100·0	100·0	100·0	100·0	100·0	100·0
(3) *Profit* :						
(*i*) Bulk products	92·6	91·0	66·9	61·0	72·8	63·1
(*ii*) Bitumen	4·2	(—)3·5	(—)1·1	2·2	27·2	36·9
(*iii*) Others	3·2	12·5	34·2	36·8		
	100·0	100·0	100·0	100·0	100·0	100·0
(4) *Profit Ratio to Turnover* (*Value*)						
(*i*) Bulk products	5·8	6·4	5·4	4·5	3·4	2·0
(*ii*) Bitumen	5·1	(—)5·0	(—)2·0	6·4	6·1	6·9
(*iii*) Others	1·6	6·4	17·4	14·9		
	5·3	5·9	6·8	6·1	3·8	2·7

10·9·3. Burmah Shell contended that in determining the return on formula products, the actual profitability ratio in the past on the non-covered products like lubricating oils, etc., should be taken into account *vide* para 10·1·1. The profits on non-formula products formed 3·2 per cent and 12·5 per cent of the total profits for Burmah Shell and 34·2 per cent and 36·8 per cent for Stanvac for 1956 & 1957 respectively.

The combined profit only on non-formula products and Bitumen was available for Caltex and this formed 27·2 per cent and 36·9 per cent of the total profits for 1956 and 1957. Even though separate figures for non-formula products were not available for Caltex, the combined profit on Bitumen and non-formula products was lower for Burmah Shell as compared with the other two companies. This position was due to high incidence of marketing charges. In the absence of adequate particulars due to the reluctance of the Oil companies to divulge their individual costs, for obvious reasons, no further comments are possible. Under the individual company's own method of allocation of charges, the profitability ratio in this group was more for Stanvac and Caltex than that indicated on a uniform basis for the price formula. It is, therefore, considered that for the allocation of the total return, the ratios of the realisation should be adopted as under:

	Burmah Shell	Stanvac	Caltex
	%	%	%
Formula products other than Bitumen	84	84	86
Bitumen	4	3	3
Other non-covered products	12	13	11
	100	100	100

The above percentages represent the total realisation from Inland sales only other than those on Colas and Wax and International bunkers in the case of Burmah Shell; for Caltex and Stanvac, the ratio represents the total realisation inclusive of international bunkers. Due adjustments have been made later for Burmah Shell for the two types of sales mentioned above.

10·10. **Absorption in the individual product :**

The return to bulk products and Bitumen has to be further allocated to the individual products. The claim of the industry was to relate the return as a mark-up on the landed cost. The profit element as a mark-up on the landed cost would vary for the different ports due to the variations in marine freight, wharfage, etc. It is not desirable to recognise different profit levels at different ports although under the V.S.A. such a principle was accepted.

For determining the profit element for each product, the average sales volume in 1958 and 1959 was taken into account.

Based on the average volume of sales in 1958 and 1959 for each of the covered products other than Bitumen, the allocated profit for this group is expressed as a percentage on the total landed cost (average of the Bombay and Calcutta ports, where the total sales form a sizeable portion of the all India sales). The profit per unit of the product is determined by applying this percentage on the average landed cost at Bombay and Calcutta ports. For Aviation Spirit, the specifications differ among the companies and even within the company there are sales of different specifications. For the purpose of determining the element of profit, Avigas 100/130 is taken as representative. Since Bitumen is a single product with differentiation only in grades, the total allocated profit is distributed at a flat rate per ton. The profits for the non-covered products is divided by the equated gallons for this group to arrive at the quantum per unit.

10·11. Expected Earnings of the Oil Companies:

A further attempt has been made to estimate the earnings of the three major companies on the sales volume in 1958 and 1959 based on the percentages for each of the companies :

(*i*) a return at 10 per cent on capital employed in 1957 for Burmah-Shell group;

(*ii*) a return at 11·5 per cent on capital employed in 1957 for Stanvac; and

(*iii*) a return at 7·5 per cent on capital employed in 1957 for Caltex.

The following table will indicate the position:

10·11·1. Burmah-Shell's quantum:

(*i*) The Capital employed by this firm and its consignors in 1957 was assessed at Rs. 5113·07 lakhs and a return at 10 per cent on this will amount to Rs. 511·307 lakhs. The allocation of this profit will be as under:

Total Return	Rs.	511·307 lakhs.
Less proportion to colas an wax and international sales . .	„	10·226 „
Balance	„	501·081 „

Allocated to:

(*i*) Formula products other than Bitumen	Rs.	420·908 lakhs
(*ii*) Bitumen	„	20·043 „
(*iii*) Other uncovered products	„	60·130 „

The allocated profit to (*i*) above works out to 5·4111 per cent of the landed cost. At this percentage, the following will be the profit element for each of the products:

Products	Selling unit	Profit element
		Rs.
(*i*) Motor Spirit	I. G.	0·1010
(*ii*) Kerosene-Superior	8 I. G.	0·3389
(*iii*) Kerosene-Inferior		
(*iv*) Aviation Spirit	I. G.	0·1245
(*v*) Aviation Turbine Fuel	I. G.	0·0430
(*vi*) High Speed Diesel Oil	I. G.	0·0657
(*vii*) Vaporising Oil/Power Kerosene	I. G.	0·0654
(*viii*) Furnace Oil	Ton	6·58
(*ix*) Light Diesel Oil	Ton	11·86
(*x*) Bitumen	Ton	12·15
(*xi*) Other non-covered products (in terms of equated gallons)	I. G.	0·0781

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The sale of formula products and Bitumen for 1958 and 1959 is taken as furnished by the company. In the case of other products where the estimate was insufficient, the volume for 1959 was projected based on 1958 volume.

Based on the profit element indicated above, the earnings of these major oil companies for 1958 and 1959 will be as under :—

EARNINGS IN 1958

(Figures in lakhs)

	Burmah Shell		Stanvac		Caltex	
	Volume	Amount	Volume	Amount	Volume	Amount
		Rs.		Rs.		Rs.
Motor Spirit—I.G.	1261·08	127·37	602·45	60·85	441·16	44·56
Kerosene—8 I.G.	284·71	96·49	140·78	47·71	96·49	32·70
Aviation Spirit—I.G.	152·28	18·96	81·29	10·12	6·93	0·86
Aviation Turbine Fuel—I.G. . .	230·97	9·93	44·02	1·89	16·59	0·71
H.S.D.—Oil—I.G.	1294·08	85·02	581·07	38·18	461·97	30·35
Vaporising Oil—I.G	70·51	4·61	21·90	1·43	23·25	1·52

	Burmah Shell		Stanvac		Caltex	
	Volume	Amount	Volume	Amount	Volume	Amount
		Rs.		Rs.		Rs.
Furnace Oil—Ton	4·88	32·11	3·15	20·73	1·58	10·40
Light Diesel Oil —Ton	2·77	32·91	1·17	13·90	0·79	9·39
Total Formula Products		407·40		194·81		130·49
Bitumen —Ton	1·62	19·68	0·40	4·86	0·41	4·98
Total		427·08		199·67		135·47
Non-Formula Products—I.G.	768·16	59·99	583·62	45·58	115·87	9·05
		487·07		245·25		144·52
Other earnings		9·94		..		..
Total earnings		497·01		245·25		144·52
Less : Appropriations as per para 10.8.5.1(*i*)		238·99		84·48		70·79
Assessable surplus		258·02		160·77		73·73
Less : Income Tax *.		158·68		98·87		45·34
Distributable surplus		99·34		61·90		28·39
Paid-Up Capital		1829·84		600·00		98·15
Distributable surplus as a percentage of paid-up capital		5·4%		10·4%		28·9%

If interest on loan capital is assumed not as an outgoing and hence not subject to tax relief, the following will be the position :

	Burmah Shell	Stanvac	Caltex
Total earnings as above	497·01	245·25	144·52
Less : Appropriation as per para 10.8.1. (*ii*)	35·21	37·63	18·36
Distributable surplus	177·79	79·93	48·57
Distributable surplus as a percentage on paid up capital	9·7%	13·3%	49·5%

EARNINGS IN 1959

(Figures in lakhs)

	Burmah Shell		Stanvac		Caltex	
	Volume	Amount	Volume	Amount	Volume	Amount
		Rs.		Rs.		Rs.
Motor Spirit	1188·59	120·05	577·50	58·33	425·67	42·99
Kerosene—8 I.G.	295·97	100·30	134·75	45·67	112·33	38·07
Aviation Spirit—I.G.	148·42	18·48	82·25	10·24	12·36	1·54
Aviation Turbine Fuel—I.G.	372·09	16·00	66·50	2·86	47·40	2·04
H.S.D. Oil—I.G.	1626·64	106·87	796·60	52·34	603·10	39·62
Vaporising Oil —I. G.	67·42	4·41	21·35	1·40	21·76	1·42
Furnace Oil—Ton	5·24	34·48	4·13	27·18	1·66	10·92
Light Diesel Oil—Ton	2·85	33·86	1·26	14·97	0·93	11·05
Total Formula Products		434·45		212.99		147.65
Bitumen—Ton.	1·68	20·41	0·45	5·47	0·47	5·71
		454·86		218·46		153·36

	Burmah-Shell		Stanvac		Caltex	
Non-covered products—I.G. . . .	771·00	60·22	711·67	55·58	124·61	9·73
Other earnings		515·08 10·5		274·04		163·09
Total earnings		525·59		274·04	163·09	
Less : Appropriation as per para 10.8.5.1 (*i*) .		238·99		84·48	70·99	
Assessable surplus		286·60		189·56	92·10	
Less : Income Tax		176·26		116·58	56·64	
Distributable surplus		110·34		72·98	35·46	
Distributable surplus as a percentage on paid-up capital		6%		12·2%	36·1%	

If interest on loan capital is assumed not as an outgoing and hence not subject to tax relief, the following position will be indicated :

	Burmah Shell	Stanvac	Caltex
		(Rs. in lakhs).	
Total earnings as above	525·59	274·04	163·09
Less : Appropriation as per para 10.8.5.1(*ii*)	35·21	37·63	18·36
Assessable surplus	490·38	236·41	144·73
Less : Income Tax	301·58	145·39	89·01
Distributable surplus	188·80	91·02	55·72
Distributable surplus as a percentage on paid-up capital . .	10·3%	15·2%	56·8%

10.11. 2.—*Stanvac's Quantum*:

The capital employed for this company in 1957 amounted to Rs. 1537·01 lakhs and a return at 11·5% on this would amount to Rs. 176·756 lakhs. The allocation to the different groups of products would be as under :

	(Rs. in lakhs)
(*i*) Formula products other than Bitumen	148·475
(*ii*) Bitumen	5·303
(*iii*) Other non-covered products	22·978

The allocated profit to (*i*) above works out to 3·9406% of the landed cost. At this percentage, the following will be profit element for each of the products :

Products	Selling unit	Profit element
		Rs.
Motor Spirit	I.G.	0·0736
Kerosene Superior/Inferior	I.G.	0·2468
Aviation Spirit	I.G.	0·0907
Aviation Turbine Fuel	I.G.	0·0313
High Speed Diesel Oil	I.G.	0·0478
Vaporising Oil	I.G.	0·0476
Furnace Oil	Ton	4·79
Light Diesel Oil	Ton	8·65
Bitumen	Ton	12·56
Other non-covered products Eq. Gallons		0·0355

In case the above quantum is considered reasonable for the industry, then the earnings in 1958 and 1959 for the three companies will be as under :

EARNINGS IN 1958

(Same volume as in para 10.11.1)

(Rupees in Lakhs)

	Burmah Shell	Stanvac	Caltex
Total profit in Formula products other than Bitumen	296·54	141·76	94·97
Profit in Bitumen	20·35	5·02	5·15
Profit in other products	27·27	20·72	4·11
Total profit in all sales	344·16	167·50	104·23
Add : Adjustment for oth	7·02	..	..
	351·18	167·50	104·23
Less : Appropriation [*vide* para 10.8.5.1.(*i*)]	238·99	84·48	70·79
Assessable surplus	112·19	83·02	33·44
Less : Income Tax	69·00	51·06	20·57
Net distributable surplus	43·19	31·96	12·87
Net distributable surplus as a percentage on paid-up capital	2·4%	5·3%	13·1%

In case interest is not payable on loan capital, then the position will be as follows :—

(Rupees in lakhs)

	Burmah Shell	Stanvac	Caltex
Total profit as above	351·18	167·50	104·23
Less : Appropriation [*vide* para 10.8.5.1. (*ii*)]	35·21	37·63	18·36
Assessable surplus	315·97	129·87	85·87
Less : Income Tax	194·32	79·87	52·81
Net distributable surplus	121·65	50·00	33·06
Net distributable surplus as a percentage on paid-up capital	6·6%	8·3%	33·7%

EARNINGS IN 1959

(Rupees in lakhs)

	Burmah Shell	Stanvac	Caltex
Total profit in all products other than Bitumen	316·19	154·96	107·46
Profit in Bitumen	21·10	5·65	5·90
Profit in other products	27·37	25·26	4·42
Total profit in all sales	364·66	185·87	117·78
Add : Adjustment for others	7·44	..	..
Total Income	372·10	185·87	117·78
Less : Appropriations [*vide* para 10.8.5.1.(*i*)]	238·99	84·48	70·78
Assessable surplus	133·11	101·39	47·00
Less : Income-tax	81·86	62·35	28·90
Net Distributable surplus	51·25	39·04	18·10
Net distributable surplus as a percentage on paid-up capital	2·8%	6·5%	18·4%

In case, interest is not payable on loan capital, then, the position will be as under :—

	Burmah Shell	Stanvac	Caltex
	(Rupees in lakhs)		
Total profit as above	372·10	185·87	117·78
Less : Appropriations [*vide* para 10.8.5.1. (*ii*)]	35·21	37·63	18·36
Assessable surplus.	336·89	148·24	99·42
Less : Income-tax	207·19	91·17	61·14
Net distributable surplus	129·70	57·07	38·28
Net distributable surplus as a percentage on paid-up capital	7·1%	9·5%	39·0%

10.11.3. CALTEX QUANTUM

The capital employed for this company in 1957 amounted to Rs. 1193·74 lakhs and a return at 7·5% on this would amount Rs. 89·531 lakhs. The allocation to the different groups of products would be as under:—

(*i*) For mula products other than Bitumen	Rs. 76·996 lakhs
(*ii*) Bitumen	Rs. 2·686 lakhs
(*iii*) Other non-covered products	Rs. 9·849 lakhs

The allocated profit to (*i*) above works out to 2·9955% of the landed cost. At this percentage, the following will be the profit element for each of the products :

Products	Selling unit	Profit element
		Rs.
(*i*) Motor Spirit	I.G.	0·0559
(*ii*) Superior/Inferior Kerosene	I.G.	0·1876
(*iii*) Aviation Spirit	I.G.	0·0689
(*iv*) Aviation Trubine Fuel	I.G.	0·0238
(*v*) High Speed Diesel Oil	I.G.	0·0363
(*vi*) Vaporising Oil	I.G.	0·0362
(*vii*) Furnace Oil	Ton	3·64
(*viii*) Light Diesel Oil	Ton	6·58
(*ix*) Bitumen	Ton	6·10
(*x*) Other products	E.Glln.	0·0819

If the above quantum is considered, then the earnings for 1958 and 1959 for the three distributors will be as under :—

EARNINGS IN 1958

(Same volume as in para 10.11.1)

	Burmah Shell	Stanvac	Caltex
	Rs.	Rs.	Rs.
Profit on Formula products	225·41	107·79	72·20
Profit on Bitumen	9·88	2·44	2·50
Profit on other products	62·91	47·80	9·49
Total profit on all sales	298·20	158·03	84·19
Add : Adjustments	6·09	..	..
Total Income	304·29	158·08	84·19
Less : Appropriations [*vide* para 10.8.5.1. (*i*)]	238·99	84·48	70·79
Assessable surplus	65·30	73·55	13·40
Less : Income-tax	40·16	45·23	8·24
Net distributable Surplus	25·14	28·32	5·16
Net distributable surplus as a percentage on paid-up capital	1·4%	4·7%	5·3%

In case interest on the loan capital is assumed not as an outgoing, the position will be as under:—

	Burmah Shell	Stanvac	Caltex
	(Rupees in lakhs)		
Total profits as on prepage	304·29	158·03	84·19
Less : Appropriations [*vide* para 10.8.5.1. (*ii*)]	35·21	37·63	18·36
Assessable surplus	269·08	120·40	65·83
Less : Income-tax	165·48	74·05	40·49
Net distributable surplus	103·60	46·35	25·34
Net distributable surplus as a percentage on paid-up capital	5·7%	7·7%	25·8%

EARNINGS IN 1959

	Burmah Shell	Stanvac	Caltex
	(Rupees in lakh)		
Profit on Formula products	240·36	117·82	81·68
Profit on Bitumen	10·25	2·75	2·87
Profit on other products	63·14	58·29	10·21
Total profit on all sales	313·75	178·86	94·76
Add : Adjustments	6·40	..	..
Total Income	320·15	178·86	94·76
Less : Appropriations [*vide* para 10.8.5.1. (*i*)]	238·99	84·48	70·79
Assessable Surplus	81·16	94·38	23·97
Less : Income-tax	49·91	58·04	14·74
Net distributable surplus	31·25	36·34	9·23
Net distributable surplus as a percentage on paid-up capital	1·7%	6·1%	9·4%

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Assuming interest on loan capital not as an outgoing, the position will be as follows :—

	Burmah Shell	Stanvac	Caltex
	(Rupees in lakhs)		
Total profit as on prepage	320·15	178·86	94·76
Less : Appropriations [*vide* para 10.8.5.1. (*ii*)]	35·21	37·63	18·36
Assessable Surplus	284·94	141·23	76·40
Less : Income-tax	175·24	86·86	46·99
Net distributable surplus	109·70	54·37	29·41
Net distributable surplus as a percentage on paid-up capital	6·0%	9·1%	30·0%

10·12 SUMMARY

10.12.1. The following table indicates the net distributable surplus as a percentage on the paid-up ca for the three companies on the three bases enumerated above:—

	Burmah Shell		Stanvac		Caltex	
	1958	1959	1958	1959	1958	1959
(*a*) With interest on loan capital as on outgoing from the profits :						
(*i*) Profit element on Burmah-Shell's basis	5·4	6·0	10·4	12·2	28·9	36·1
(*ii*) Profit element on Stanvac basis	2·4	2·8	5·3	6·5	13·1	18·4
(*iii*) Profit element on Caltex basis	1·4	1·7	4·7	6·1	5·3	9·4
(*b*) With interest on loan capital not as an out-going from the profits :						
(*i*) Profit element on Burmah Shell's basis	9·7	10·3	13·3	15·2	49·5	56·8
(*ii*) Profit element on Stanvac basis	6·6	7·1	8·3	9·5	33·7	39·0
(*iii*) Profit element on Caltex basis	5·7	6·0	7·7	9·1	25·8	30·0

10.12.2. Having determined the net yield of the three major oil companies, the next point that arises is which of the three bases should be treated as representative for the industry. As already indicated in para 10.2.1 the capital structure of Caltex cannot be taken as representative, since the paid-up capital is very low. The paid-up capital of Stanvac has been assessed notionally and cannot, therefore, form a correct basis. It is, therefore, but fair to assume Burmah Shell's capital structure and the rate of return as representative. On the basis of Burmah-Shell's quantum, the net yield for Stanvac and Caltex may apparently seem to be more. This extra yield may be viewed as an incentive for economic investment. Any other basis would result in the total return being inadequate for Burmah Shell to meet its minimum requirements. The profit element fixed for the petroleum products in the formula is as under :—

Products	Selling unit	Profit element
		Rs.
(*i*) Motor Spirit	I.G.	0·1010
(*ii*) Kerosene—Superior (*iii*) Kerosene—Inferior	8I.G.	0·3389
(*iv*) Aviation Spirit	I.G.	0·1245
(*v*) Aviation Turbine Fuel	I.G.	0·0430
(*vi*) High Speed Diesel Oil	I.G.	0·0657
(*vii*) Vaporising Oil/power kerosene	I.G.	0·0654
(*viii*) Furnace Oil	Ton	6·58
(*ix*) Light Diesel Oil	Ton	11·88
(*x*) Bitumen	Ton	12·15
(*xi*) Other non-recovered products (in terms of equated gallons) . . .	I.G.	0·0781

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10.12.3. The accompanying table shows the recovery position of the companies based on the volume in 1958-59 and 1959-60 :

Table showing the recovery of charges and remuneration.

(Rs. in lakhs)

	1958			1959			Average for 1958-59		
	Burmah Shell	Stanvac	Caltex	Burmah Shell	Stanvac	Caltex	Burmah Shell	Stanvac	Caltex
I. *Charges*									
Marketing & Distribution charges at 1957 level	1568·8	638·8	461·6	1568·8	683·8	461·6	1568·8	683·8	461·6
Recovery of charges on Formula Quantum .	1199·5	595·5	356·9	1267·4	641·8	400·4	1233·4	618·6	378·6
Over/under recovery in charges . . .	—369·3	—88·3	—104·7	—301·4	—42·0	—61·2	—335·4	—65·2	—83·0

(Rs./lakhs)

	1958			1959			Average for 1958-59		
	Burmah Shell	Stanvac	Caltex	Burmah Shell	Stanvac	Caltex	Burmah Shell	Stanvac	Caltex
II. *Profit*									
Minimum profit required (*vide* para 10.8.4) .	524·2	178·0	86·1	524·2	178·0	86·1	524·2	178·0	86·1
Recovery of profit on Formula Quantum .	497·0	245·2	144·5	525·6	274·0	163·1	511·3	259·6	153·8
Over/under recovery in profit	—27·2	+67·2	+58·4	+1·4	+96·0	+77·0	+12·9	+81·6	+67·7
Total over/under recovery in charges and profits	—396·5	—21·1	—46·3	—300·0	+54·0	+15·8	—348·3	+16·4	—15·3

The average short recovery shown on prepage does not take into consideration disallowed items like 'bad debts' etc., and any anticipated short fall in packed bulk differential for 4 I.G. tins, which amounts will not be significant. It can be observed from the above that the quantum of charges and remuneration as evolved for the formula and other products *gives* a small surplus to Stanvac only.

11. Price structure for bulk supplies as from 1st April 1958.

As outlined in paras 9.1 ; 9.6.2. ; 10.12 the prices of petroleum products as on 1st April 1958 covered by the formula, other than Bitumen, are indicated in Annexures 1(*a*) to 1(*f*). According to the agreement with the oil companies the prices after the *ad hoc* reductions should be in force until the new price formula is introduced subject to the movement in the c.i.f. elements apart from reasons outside the control of the company (such as changes in duties and taxes). When Burmah Shell approached the Government for adjustments on account of the changes in the c.i.f. prices, the Government suggested the postponement till the proposed new price formula was established. The movements in the c.i.f. elements since 1st April, 1958 to 31st December, 1958 (till which date only the movements in the c. & f. elements were ascertained) are indicated in statements 4 and 5. There has been no change in Customs Duty since 1st April, 1958 to 31st December, 1958. There has also been no variation in the rates of wharfage except in one port *viz*. Cochin where the wharfage rates were revised since 1st July, 1958. In evolving the landed cost for this port since 1st April 1958, the change in wharfage rate is taken note of.

The total landed cost of the petroleum products for each port on the various dates on which such movements of c.i.f. and wharfage occured are indicated in statement No. 9A to 9L. A summary of the landed cost for the formula products at all ports since 1st April, 1958 till 31st December, 1958 is indicated in Annexure 2. The difference between the landed cost as at 1st April, 1958 and that at the respective dates has to be adjusted to the prices as on 1st April, 1958 for the various products at each of the ports.

The prices are evolved at the three selling points *viz*. (*i*) ex-main installation, (*ii*) ex-up-country and (*iii*) ex-air field. Packed/bulk differential for 4 I.G. Tin is also shown separately in the annexures wherever applicable. The ex-up-country prices will apply at the selling points indicated against each product :

Motor Spirit	Retail Pump outlets Agents Godowns.
High Speed Diesel Oil	
Kerosene	
Aviation Spirit	Company's depots.
Aviation Turbine Fuel	
Vaporising Oil	Agents godowns or retail pumps, if any.
Furnace Oil	Consumers godowns.
Light Diesel Oil	Agents godowns.

The prices in the Annexures do not include any provision for Railway freight and local duties and taxes. Railway freight should be added based on the tariff rate in force from time to time for bulk despatches by the most economical route to the selling point from the nearest Installation/Terminal. The oil companies should periodically, preferably each quarter, furnish statement showing the actual Railway freight incurred and the corresponding recovery from the consumers. Local duties and taxes should also be added as appropriate rates in force from time to time. If sales of products for which no separate ex-up-country depot prices are evolved, are effected from such depots separate prices will have to be negotiated.

12. Anticipated reduction as on 1st April, 1958.

12.1 In accordance with the agreement entered into by Burmah Shell on behalf of the oil companies with the Government of India on 20-5-58, the prices of the products covered by the then V.S.A. agreement were reduced by the following quantum mainly on account of the fall in the c.i.f. prices ex-Abadan.

Motor Spirit	Rs. 0·14 per I.G.
Kerosene Sup./Inf.	„ 0·48 per 8 I.G.
Aviation Spirit	„ 0·14 per I.G.
A.T. Fuel	„ 0·06 „
H.S.D. Oil	„ 0·07 „
Vaporising Oil	„ 0·03 „
Furnace Oil	„ 13·91 per Ton
L.D. Oil	„ 11·64 per Ton

The foregoing reductions were converted into excise duties. The impact of this reduction was estimated at about Rs. 10 crores for the industry. It was agreed that these reductions would be retro-active from 1st April, 1958 and any movement of the c.i.f. prices would be adjusted as and when necessary. These reductions were provisional subject to adjustments after a new price formula was evolved and the quantum of charges fixed by the Government after investigation by the Chief Cost Accounts Officer.

12.2 As the new prices are to have retrospective effect from 1st April, 1958 an attempt is made to estimate the total reduction resulting from the revised prices and the prices existed then. While calculating the anticipated reduction from 1-4-58 to 31-3-59 the actual sales upto 31-12-58 and one-fourth of the estimated sales as envisaged by the oil companies in 1959 and 1959/60 based on 1959 volume are taken. As similar figures for I.B.P., W.I.C. and B.O.C. (I.T.) were not readily available the conclusion will not be far out if the sale for these companies is assumed at about 6% of the total sales for the industry based on 1957.

12.3 The sales volume through the individual port was not available from each of the companies. The charges as developed by Burmah Shell according to the V.S.A. procedure were inclusive of the wharfage. As wharfage is taken in the landed cost and excluded from the post landed charges, adjustment has been effected for this item. Remuneration element varied for the products among the ports in the past. For assessing the reduction per unit for each product the average of the prices at the ports of Calcutta and Bombay as developed in the new price formula and the V.S.A. procedure is taken as the sales in the hinter-land of these two ports form fairly a large proportion of the total sales. The reduction is analysed under three groups *i.e.* (*i*) landed cost, (*ii*) charges including commission and (*iii*) remuneration.

12.4 Burmah Shell furnished details showing the break up of the base prices for the various formula products covered by the V.S.A. agreement wherein adjustments on account of V.S.A. were also indicated separately. The split up of these adjustments among the three groups referred to earlier is not available. Hence the adjustment on account of V.S.A. is indicated separately without any split up.

12.5 Over and above the base prices, the oil companies were recovering extra differential towards barrel storage allowances, delivery charges, 2 I.G. fillling in expenses etc. Any over or under recovery of charges against such items was also merged in the base price. But the quantum fixed in the new price formula takes into account the entire expenditure on such items without any credit for the specific recoveries made by the companies. Hence this specific recovery should be added to the reduction indicated above.

The incidence of the specific recoveries could be assessed only on Burmah Shell basis. Such a quantum was applied to the sale quantities of the other companies also as it is presumed such recoveries would have been effected by others as well. The amount so determined is indicated in the following table.

ANTICIPATED REDUCTION

((Rs./lakhs)

Particulars	1958-59			1959-60		
	As per V.S.A.	As per formula	Anticipated reduction	As per V.S.A.	As per formula	Anticipated reduction
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Landed cost . .	14,642·75	13,645·71	997·04	15,480·31	14,422·19	1,058·12
M.I. charges . .	2,022·62	1,137·13	885·49	2,082·78	1,193·20	889·58
Up-country charges .	1,545·62	1,572·98	—27·36	1,642·79	1,653·37	—10·58
Remuneration . .	1,137·40	719·47	417·93	1,204·59	758·03	446·56
TOTAL . .	19,348·39	17,750·29	2,273·10	20,410·47	18,026·79	2,383·68
Less : V. S. A. adjustment . . .	636·12	..	636·12	697·01	..	697·01
Net amount .	18,712·27	17,075	1,636·98	19,713·46	18,026·79	1,686·67
Add : Specific recoveries over basic price . .			172·47			188·77
Total Reduction for major companies* .			1,809·45			1,875·44
Add 6% for other companies . . .			108·57			112·53
Total anticipated reduction . . .			1,918·02	(Average : 1953·00)		1,987·97
*Contributed by :—						
Burmah Shell . . .			1,013·64			1,049·11
Stanvac . . .			477·31			479·75
Caltex . . .			318·50			346·58

In accordance with the agreement with the oil companies, the movements in the c.i.f. elements will have to be adjusted. As already stated, the movements in the c.i.f. elements and wharfage were ascertained only upto 31st December, 1958. Based on these movements the reimbursement would amount to Rs. 44·42 lakhs in 1958-59 and Rs. 139·80 lakhs in 1959-60 for the three companies. Adding about 6% for the other companies the total would be Rs. 47·09 lakhs in 1958-59 and Rs. 148·20 lakhs in 1959-60. Any further movement in the c.i.f. elements and wharfage since 1st January, 1959 will have to be adjusted.

The reduction indicated above is only in respect of formula products excluding Bitumen.

The Short recovery in Bitumen on account of marketting and distribution charges and remuneration is estimated to be of the order of Rs. 28 lakhs per year.

13. Control on non-formula products

In para No. 3·7 it was indicated that due to the reluctance of the companies for the supply of adequate particulars for products like lubricants, greases, chemicals and other specialities an overall control on the profitability of these products could be achieved while evolving the formula for the refined bulk products and Bitumen. While discussing the marketing and distribution charges applicable for the formula products (including Bitumen) a reduction of 20% of the 1957 incidence as ascertained for Stanvac was considered reasonable from 1st April 1958. On this basis the overall incidence per equated gallon of petroleum products not covered by the formula would be Rs. 0·1423 (80% of Rs. 0·1779). The profit element on the ratio of allocation indicated in para 10·11·1 on the basis of Burmah Shell's quantum would be Rs. 0·0781 per equated gallon.

The industry should not, therefore, recover more than Rs. 0·2204 made up of Rs. 0·1423 towards marketing and distribution charges and Rs. 0·0781 towards remuneration in addition to the actual cost of raw materials and containers. The companies should furnish periodical statements preferably, every quarter, indicating the overall recovery and establish that the quantum fixed is not exceeded. The companies may, however, be allowed to vary this quantum among the various group of products coming under the category of non-formula products ensuring that the overall recovery towards charges and remuneration is not exceeded. Based on the above quantum and the actual realisation of charges and profit during 1957 and assuming the same realisation towards these two elements during 1958 and 1959, the anticipated reduction for the companies will be Rs. 338·5 lakhs on an average per year as indicated below :

NON-FORMULA PRODUCTS

	Burmah Shell	Stanvac	Caltex
	Rs.	Rs.	Rs.
(a) Charges			
Actuals for 1957	0·2637	0·1779	0·3321
Less : Quantum as fixed	0·1423	0·1423	0·1423
Reduction per unit	0·1214	0·0356	0·1898

(Figures in Lakhs)

	Burmah Shell	Stanvac	Caltex
Volume in equated gallons :			
1958	768·16	583.62	115·56
1959	771·00	711·67	124·61
1958/59 (3/4th of 1958 and 1/4th of 1959)	768·87	615·64	117·82
1959/60 (as for 1959)	771·00	711·67	124·61
Amount of reduction :	Rs.	Rs.	Rs.
1958-59	93·34	21·92	22·36
1959-60	93·60	25·34	23·65
Average	93·47	23·63	23·01
Total all Companies	=	140·11	
(b) *Profit*			
1957—Actuals	0·1391	0·2792	0·2261
Less : Quantum as fixed	0·0781	0·0781	0·0781
Reduction per unit	0·0610	0·2011	0·1480
		(Figures in lakhs)	
Amount 1958-59	46·90	123·81	17·44
1959-60	47·03	143·12	18·44
Average	46·97	133·46	17·94
All Companies	=	198·37	
Total charges and profit	140·44	157·09	40·95
All Companies	=	338·48	

As it is presumed an overall 6% turnover for the other companies, the total reduction will be about Rs. 358·79 Lakhs. This reduction is in addition to that indicated in para 12 making a total of Rs. 2284 Lakhs per year, without taking into account any adjustment towards movements in the c.i.f. elements since 1st April, 1958.

14. Period for which the prices should be effective

The prices as evolved in the formula for the bulk refined products will be operative, with retrospective effect from 1st April, 1958 to 31st March 1961. The charges and remuneration are based in the formula on the volume in 1958 and 1959. With the continuous increase in volume the marketing charges may show a decline. Any reduction in the quantum of charges in 1960 as a result of any increase in volume may be offset by increases, if any, under marketing and distribution. The extra remuneration on the increased volume in 1960 over 1959 level should be considered as an incentive for the industry.

15. Composition of the Marketing and Distribution charges for 1958 and 1959 as per Stanave

The composition of the marketing and distribution charges function-wise assumed in the fixation of th quantum in the new price formula is indicated in Annexure 3. If the industry's claim for increase in any element of cost is accepted by Government due adjustment on account of such increase will have to be made on the basis of the composition of charges function-wise, as indicated in the annexure.

16. Escalations for the formula

The prices as evolved in annexure 1(a) to 1(f) as from 1st April, 1958, will require adjustments only for the following:

(*a*) Movements in the c.i.f. elements, customs duty, wharfage, etc. from 1st April, 1958.

(*b*) Any increase in the level of wages brought about through Governmental action over the level of wages in 1957.

(*c*) Any variation in the price of tin plate subsequent to 31st December, 1958, based on the All-India average for Stanvac from Rs. 1196/- per ton assumed for 1958.

17. New Accounting Procedure

As considerable differences were noticed in the classification and codification of account heads with a consequential deviation in the method of allocation and absorption of the expenses to the various petroleum products marketed by the comapnies, the cost of marketing and distribution cannot be determined on a uniform basis with a view to comparing the results of the operation among the companies. To achieve this objective, though not in the past at least in the immediate future, a broad uniform procedure is be evolved. A pre-requisite for such a procedure will be a uniform codification of account heads for each of the main functions towards marketing and distribution. The main functions under which the marketing and distribution costs were collected for the past periods are to continue in future also as under :

(i) Installation/Terminal.
(ii) Depot operation.
(iii) Service station operation.
(iv) Airfield station operation.
(v) Delivery, and.
(vi) Administration and management pertaining to installation costs.
(vii) Administration and management pertaining to distribution costs.

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In the price formula the administration and management expenses are bifurcated into two groups, *viz* (1) pertaining to installation *i.e.*, Overseas Office, General Manager's Office and Branch/Territory/District Offices and (2) pertaining to distribution *i.e.* Divisional/District Sales Offices.

The codification/classification of the element of cost applicable to each of the foregoing functions should be ade as under :

I. Salaries

(a) Basic pay.
(b) Dearness/High cost of living allowance.
(c) Other allowances.
(d) Overtime.
(e) Company's contribution to P. F. and E.S.I.S.
(f) Bonus.

II. Wages

Same heads as for salaries for labour (contract labour and extra labour to be shown separately. Labour for repairs and maintenance, should be included under this head).

III. Repairs and maintenance of assets (other than fleets)

(a) Cost of stores and products issued.
(b) Contract payments.

IV. Operation of fleets (Cars/Lorries/Launches/Barges/Tank carts)

(a) Cost of stores and products issued.
(b) Contract payments.

V. Depreciation

- (a) Depreciation on facilities.
- (b) Depreciation on packages.

VI. Amortisation.

- (a) Amortisation on facilities.
- (b) Amortisation on packages.

(The total depreciation and amortisation pertaining to marketing operations should be shown under these heads).

VII. London/New York Office debits

VIII. General representative office expenses (if applicable)

IX. Advertising and sales promotion

X. Cost of losses

- (a) Terminal.
- (b) Up-country.

XI. Other overheads:

- (a) Rent, Rates, Taxes and Licence fees. (other than Octroi, Income-tax, Wealth tax and other taxess specifically recoverable from the consumers in the price).
- (b) Insurance (Other than marine and war risk insurance)
    - (i) on products.
    - (ii) on facilities/packages.
- (c) Water, light and heating.
- (d) Travelling expenses—
    - (i) General.
    - (ii) Furlough travelling.
- (e) Printing, stationery and office supplies.
- (f) Postage, telephones and telegraph.
- (g) Legal charges.
- (h) Bank charges and remittance fees.
- (i) Auditors' fees.
- (j) Memberships and subscriptions.
- (k) Conveyance expenses.
- (l) Employee welfare expenses comprising amenities and other benefits.
- (m) Death benefits.
- (n) Termination allowances.
- (o) Charities and donations.
- (p) Staff training expenses.
- (q) Other miscellaneous expenses.
- (r) Contribution to pension fund.
- (s) Retirement benefits.

XII. Other charges

- (a) Penalty duty.
- (b) Unrecovered freight.
- (c) Unrecovered duties/tax
- (d) Interest charges.
- (e) Bad debts.
- (f) Shifting and demurrage.
- (g) Loss or gain on packages sold/scrapped.
- (h) Wealth tax.

XIII. Payments to/Recoveries from inter company transactions.

As far as possible expenses, the incidence of which can be traced directly to the products, should be shown direct, as such while the balance of expenses representing the indirect charges have to be allocated to the various products on the basis of sales realisation. Such allocated expenses applicable upto main installation inclusive of the portion of the general administration and management should be absorbed on the basis of the all India sales while charges applicable to the up-country distribution inclusive of the portion of the administration and management expenses represented by the Divisional/District Sales Offices should be divided by the all India sales less sales on F.O.R. M.I. basis; charges pertaining to the airfield to be absorbed on the sales effected at the airfields since a separate differential is maintained for sales of Aviation Spirit and Aero Turbine Fuel other than the basic cost at the depot. It is understood that a major portion of the sale especially Aviation Turbine Fuel is effected to the Government for Defence requirements and as such it is but fair to maintain a basic price at the depots.

18. Price formula for Bitumen

The particulars for the fixation of the elements in the landed cost and other connected data regarding the package cost and filling in expenses etc. are yet to be furnished by the oil companies. The companies have already been asked to supply the requisite information. As soon as these are received a separate report on the price structure for Bitumen will follow.

19. Summary of conclusions

(i) The new price formula covers only the bulk refined products and Bitumen and not lubricants, greases etc. as no details were furnished by the oil companies. (Paragraphs 3·3 and 3·4).

(ii) The basis of allocation of charges for certain functions suggested by the oil companies was not agreed to fully. The claim for certain extra differentials was also not accepted as it will be difficult to assess the quantum and keep a correct watch on the recoveries. No uniform incidence of marketing and distribution charges and remuneration is allowed for Motor Spirit and H.S.D. oil representing Auto-fuels and Aviation Spirit and Aviation turbine fuel, representing Aero-fuels. (Paragraph 6).

(*iii*) The unit incidence per equated gallon of all products in 1956 and 1957 showed increases of 38% and 40% over 1948 and 42% and 44% over 1951 for Burmah Shell; 43% and 35% over 1948 and 25% and 18% over 1951 for Stanvac; 56% and 43% over 1948 and 51% and 39% over 1951 for Caltex and 36% and 35% over 1948 and 33% and 32% over 1951 for I.B.P., respectively. (Paragraphs 7·2·4; 7·3·1; 7·4·2 and 7·5·4).

(*iv*) The number of depots in the upcountry and retail pump outlets increased considerably after 1948 and 1951. The average through-put decreased progressively thus increasing the incidence of charges. (Paragraphs 7·3·2·2; 7·3·2·3; 7·4·5·1 and 7·4·5·2).

(*v*) "Salaries and Wages" constituted the largest element in the marketing and distribution charges. The emoluments of the higher supervisory and managerial staff formed a significant portion. In one of the companies the average emoluments for the managerial staff were as high as Rs. 11,200/- per month in 1957. (Paragraphs 7·3·4·1; 7·4·6 and 7·5·6·1).

(*vi*) The incidence of depreciation in 1957 showed an increase of 153% over 1948 for Burmah Shell; 188% over 1948 for Stanvac; 142% over 1948 for Caltex; and 230% over 1948 for I. B. P. (Paragraphs 7·2·3; 7·3·4·5; 7·4·7 and 7·5·3).

(*vii*) Abadan is considered as the most economical source of import. The F. O. B. quotations are based on 'Platts' oilgram services. (Paragraph 9·1·1).

(*viii*) Marine freight is based on A.F.R.A. (Paragraph 9·1·2).

(*ix*) Only Marine Insurance is recognised. In case of emergency if Government recognises War Risk Insurance, this will have to be added separately. Government may consider the possibility of underwriting by Indian Insurers thereby avoiding the outflow of foreign exchange. (Paragraph 9·1·3).

(*x*) Ocean loss and conversion factors are based on the past experience of the oil companies. (Paragraphs 9·1·4 and 9·1·5).

(*xi*) If any petroleum product is not imported in any port, the landed cost at the nearest port of import should apply to the hinterland of the former. (Paragraph 9·1·9).

(*xii*) Comparison of the marketing and distribution charges is made only among the three major oil companies, *viz*. Burmah Shell, Stanvac and Caltex. The turnover of I.B.P. was inclusive of the consignment sales on behalf of Burmah Shell. W.I.D.C's turnover was mainly for one product, *i.e.* Kerosene. The turnover of B.O.C. (IT) was confined only to Assam Territory. (Paragraph 9·3).

(*xiii*) The explanations offered by Burmah Shell for the increases over 1948 were inadequate. In spite of the fact that Burmah Shell had the largest volume when compared to the other oil companies, there was no evidence to substantiate that this company ever attempted to economise the marketing expenses. Presumably taking advantage of the position of "Price leader" under the V.S.A. procedure Burmah Shell might not have exercised proper control on cost. (Paragraph 9·4·1).

(*xiv*) The marketing and distribution charges of Stanvac were the lowest of the three major companies. Still a reduction of 20% over 1957 incidence of marketing and distribution charges is capable of achievement from 1958. (Paragraph 9·4·2·8).

(*xv*) Caltex's explanations were inadequate. It should be capable of effecting a reduction of about Rs. 75/80 lakhs even in the emoluments of the higher executives apart from reduction in the other items of charges. (Paragraph 9·5·2).

(*xvi*) The marketing and distribution charges of Stanvac with a reduction of 20% over 1957 incidence are considered reasonable for the industry. (Paragraph 9·6·1).

(*xvii*) The marketing and distribution charges fixed in the formula are inclusive of "Barrel storage allowance, unrecovered railway freight and fixed commission to agents and dealers". (Paragraph 9·6·4).

(*xviii*) Packed/Bulk differential for 4 I. G. is determined at Rs. 1·56 based on tin plate price of Rs. 1,196/- per ton (inclusive of transport) and a consumption of 0·1118 ton per 100 containers. (Paragraph 9·7).

(*xix*) The ratio of capital employed to turnover showed increase over 1948. The ratio of capital employed to turnover in 1957 was 40·82% for Burmah Shell; 27·38% for Stanvac and 32·54% for Caltex. (Paragraphs 10·5·3·1; 10·5·3·2 and 10·5·3·3).

(*xx*) The earnings on refining and distribution were 20·85% for Burmah Shell and 17·53% for Stanvac on capital employed during 1955—57. (Paragraph 10·7).

(*xxi*) The capital employed for Burmah Shell in 1957 is considered representative and a return at 10% is allowed. (Paragraph 10·12·2).

(*xxii*) The final price structure as from 1st April, 1958 is evolved for (*i*) ex-Main Installation (*ii*) ex-up-country and (*iii*) ex-airfield. Railway freight has to be added further at the tariff rates based on the most economical route for bulk despatches from the nearest installation. Local duties and taxes are extra. If sales of products, for which no ex-up-country depot prices are evolved, are effected, separate rates have to be negotiated. (Paragraph 11).

(*xxiii*) The anticipated reduction in prices is estimated at Rs. 1,953 lakhs average per year for 1958-59 and 1959-60 for the formula products excluding Bitumen (without any adjustment for movements of the C.I.F. elements) based on the prices as on 1st April, 1958. The short recovery in Bitumen will be on an average of about Rs. 28 lakhs per year. (Paragraph 12·5).

(*xxiv*) The oil companies should satisfy the Government that the average recovery towards charges and remuneration per equated gallon of petroleum products not covered by the formula should not exceed Rs. 0·2204 (comprising of Rs. 0·1423 towards marketing and distribution charges and Rs. 0·0781 towards remuneration).. The anticipated reduction is estimated at about Rs. 359/- lakhs on an average per year during 1958-59 and 1959-60 on the basis of 1957 level of charges and profit. (Paragraph 13).

(*xxv*) The marketing and distribution charges and remuneration fixed should be operative from 1st April, 1958 to 31st March, 1961. (Paragraph 14).

(*xxvi*) The prices for the formula products as evolved from 1st April, 1958 should be adjusted for—

(*i*) movements in the C.I.F. elements apart from reasons outside the control of the company such as charges in duties, wharfage, etc.

(*ii*) Increase in the level of wages for labour over 1957 brought about through Governmental action.

(*iii*) Any variation in tin plate prices over Rs. 1,196/- per ton based on Stanvac. (Paragraph 16).

Sd/-

(N. KRISHNAN),
Chief Cost Accounts Officer.

NEW DELHI;
Dated the 28th March, 1959.

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Annexure I (a)

STATEMENT SHOWING THE MAXIMUM PRICES EX-SELLING POINTS AS ON 1-4-1958

Items	Product : Motor Spirit			Selling Unit : I.G.				Product : Kerosene Superior				Selling Unit 8 I.G.		
	Bombay Rs.	Okha Rs.	Cal-cutta Rs.	Cochin Rs.	Kandla Rs.	Madras Rs.	Vizag. Rs.	Bombay Rs.	Okha Rs.	Cal-cutta Rs.	Cochin Rs.	Kandla Rs.	Madras Rs.	Vizag. Rs.
(i) F.O.B.	0·5015	0·5015	0·5015	0·5015	0·5015	0·5015	0·5015	4·0704	4·0704	4·0704	4·0704	4·0704	4·0704	4·0704
(ii) Freight	0·0443	0·0496	0·0845	0·0541	0·0496	0·0845	0·0845	0·3936	0·4408	0·7504	0·4808	0·4408	0·7504	0·7504
(iii) Insurance	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0032	0·0032	0·0032	0·0032	0·0032	0·0032	0·0032
(iv) Ocean Loss	0·0018	0·0018	0·0019	0·0018	0·0018	0·0019	0·0019	0·0112	0·0112	0·0120	0·0112	0·0112	0·0120	0·0120
(a) C.I.F.	0·5480	0·5533	0·5883	0·5578	0·5533	0·5883	0·5883	4·4784	4·5256	4·8360	4·5656	4·5256	4·8360	4·8360
(b) Customs Duty	1·2500	1·2500	1·2500	1.0025	1·2500	1·2500	1·2500	1·5000	1·5000	1·5000	1·5000	1·5000	1·5000	1·5000
(c) Wharfage	0·0434	0·0064	0·0525	0·0156	0·0260	0·0250	0·0187	0·0832	0·0568	0·1680	0·0744	0·0832	0·0960	0·0856
(d) Other Statutory Charges	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0060	0·0060	0·0060	0·0060	0·0060	0·0060	0·0600
(1) Landed cost	1·8427	1·8110	1·8921	1·8247	1·8306	1·8646	1·8583	6·0676	6·0884	6·5100	6·1460	6·1148	6·4380	6·4276
(2) Installation	0·0434	0·0434	0·0434	0·0434	0·0434	0·0434	0·0434	0·1907	0·1907	0·1907	0·1907	0·1907	0·1907	0·1907
(3) Administration	0·0918	0·0918	0·0918	0·0918	0·0918	0·0918	0·0918	0·3726	0·3726	0·3726	0·3726	0·3726	0·3726	0·3726
(4) Remuneration	0·1010	0·1010	0.1010	0·1010	0·1010	0·1010	0·1010	0·3403	0·3403	0·3403	0·3403	0·3403	0·3403	0·3403
(A) Ex-M.I. Price (1 to 4)	2·0789	2·0472	2·1283	2·0609	2·0668	2·1008	2·0945	6·9712	6·9920	7·4136	7·0496	7·0184	7·3416	7·3312
(5) (i) Distribution	0·1538	0·1538	0·1538	0·1538	0·1538	0·1538	0·1538	0·2782	0·2782	0·2782	0·2782	0·2782	0·2782	0·2782
(ii) Barrel storage	0·0001	0·0001	0·0001	0·0001	0·0001	0·0001	0·0001	0·0174	0·0174	0·0174	0·0174	0·0174	0·0174	0·0174
(iii) Unrecovered freight	0·0103	0·0103	0·0103	0·0103	0·0103	0·0103	0·0103	0·0541	0·0541	0·0541	0·0541	0·0541	0·0541	0·0541
(iv) Commission	0·1900	0·1900	0·1900	·01900	0·1900	0·1900	0·1900	0·2800	0·2800	0·2800	0·2800	0·2800	0·2800	0·2800
(B) Ex-upcountry (A+5)	2·4331	2·4014	2·4825	2·4151	2·4210	2·4550	2·4487	7·6009	7·6217	8·0433	7·6793	7·6481	7·9713	7·9609
(6) Airfield	..	..	..	..	..	..	..	..	..	..	..	..	..	..
(C) Ex-Airfield (B+6)	..	..	..	..	..	..	..	..	..	..	..	..	..	..
(D) Packed Bulk differential for 4 G tins	..	..	..	..	..	..	..	1·56	1·56	1·56	1·56	1·56	1·56	1·56
Rounded to:—														
Ex-M.I.	2·08	2·05	2·13	2·06	2·07	2·10	2·09	6·97	6·99	7·41	7·05	7·02	7·34	7·33
Ex-upcountry	2·43	2·40	2·48	2·42	2·42	2·45	2·45	7·60	7·62	8·04	7·68	7·65	7·97	7·96
Ex-airfield														

Annexure 1(b)

STATEMENT SHOWING THE MAXIMUM PRICES EX-SELLING POINTS AS ON 1-4-1958

Items	Product: Kerosine Inferior	Selling Unit: 8 I.G.						Product: Aviation Sprit 100/130	Selling Unit : I.G.					
	Bombay Rs.	Okha Rs.	Cal-cutta Rs.	Cochin Rs.	Kandla Rs.	Madras Rs.	Vizag. Rs.	Bombay Rs.	Okha Rs.	Cal-cutta Rs.	Cochin Rs.	Kandla Rs.	Madras Rs.	Vizag. Rs.
(i) F.O.B.	3·8928	3·8928	3·8928	3·8928	3·8928	3·8928	3·8928	0·9307	..	0·9307	0·9307	0·9307	0·9307	0·9307
(ii) Freight	0·4136	0·4632	0·7888	0·5056	0·4632	0·7888	0·7888	0·0445	..	0·0849	0·0544	0·0498	0·0849	0·0849
(iii) Insurance	0·0032	0·0032	0·0032	0·0032	0·0032	0·0032	0·0032	0·0007	..	0·0007	0·0007	0·0007	0·0007	0·0007
(iv) Ocean Loss	0·0104	0·0112	0·0120	0·0112	0·0112	0·0120	0·0120	0·0053	..	0·0055	0·0053	0·0053	0·0055	0·0055
(a) C.I.F.	4·3200	4·3704	4·6968	4·4128	4·3704	4·6968	4·6968	0·9812	..	1·0218	0·9911	0·9865	1·0218	1·0218
(b) Customs Duty	1·5000	1·5000	1·5000	1·5000	1·5000	1·5000	1·5000	1·2500	..	1·2500	1·2500	1·2500	1·2500	1·2500
(c) Wharfage	0·0832	0·0568	0·1712	0·0744	0·0832	0·0960	0·0856	0·0434	..	0·0524	0·0226	0·0260	0·0250	0·0187
(d) Other Statutory Charges	0·0060	0·0060	0·0060	0·0600	0·0060	0·0060	0·0060	0·0012	..	0·0012	0·0012	0·0012	0·0012	0·0012
(1) Landed Cost	5·9092	5·9332	6·3740	5·9932	5·9596	6·2988	6·2884	2·2758	..	2·3254	2·2649	2·2637	2·2980	2·2917
(2) Installation	0·1907	0·1907	1·1907	0·1907	0·1907	0·1907	0·1907	0·0716	..	0·0716	0·0716	0·0716	0·0716	0·0716
(3) Administration	0·3726	0·3726	0·3726	0·3726	0·3726	0·3726	0·3726	0·1107	..	0·1107	0·1107	0·1107	0·1107	0·1107
(4) Remuneration	0·3323	0·3323	0·3323	0·3323	0·3323	0·3323	0·3323	0·1245	..	0·1245	0·1245	0·1245	0·1245	0·1245
(A) Ex-M.I. Price (1 to 4)	6·8048	6·8288	7·2696	6·8888	6·8552	7·1944	7·1840	2·5826	..	2·6322	2·5717	2·5705	2·6048	2·5985
(5) (i) Distribution	0·2782	0·2782	0·2782	0·2782	0·2782	0·2782	0·2782	0·0192	..	0·0192	0·0192	0·0192	0·0192	0·0192
(ii) Barrel storage	0·0174	0·0174	0·0174	0·0174	0·0174	0·0174	0·0174	..	..	..	..	..	..	..
(iii) Unrecovered freight	0·0541	0·0541	0·0541	0·0541	0·0541	0·0541	0·0541	..	..	..	..	..	..	..
(iv) Commission	0·2800	0·2800	0·2800	0·2800	0·2800	0·2800	0·2800	..	..	..	..	..	..	..
(B) Ex-upcountry (A+5)	7·4345	7·4585	7·8993	7·5185	7·4849	7·8241	7·8137	2·6018	..	2·6514	2·5909	2·5897	2·6240	2·6177
(6) Airfield	..	..	..	..	..	..	..	0·2063	..	0·2063	0·2063	0·2063	0·2063	0·2063
(C) Ex-Airfield (B+6)	..	..	..	..	..	..	..	2·8081	..	2·8577	2·7972	2·7960	2·8303	2·8240
(D) Packed Bulk differential for 4 I.G. tins	1·56	1·56	1·56	1·56	1·56	1·56	1·56	..	..	..	..	..	..	..
Rounded to:—														
Ex-M.I.	6·80	6·83	7·27	6·89	6·85	7·19	7·18	2·58	..	2·63	2·57	2·57	2·60	2·60
Ex-upcountry	7·43	7·46	7·90	7·52	7·48	7·82	7·81	2·60	..	2·65	2·59	2·59	2·62	2·62
Ex-Airfield	..	..	..	..	..	..	..	2·81	..	2·86	2·80	2·80	2·83	2·82

ANNEXURE 1 (c)

STATEMENT SHOWING THE MAXIMUM PRICES EX-SELLING POINTS AS ON 1-4-1958

Items	Product : Aviation Spirit 115/145 Selling unit I.G.							Product : Aviation Spirit 108/135 Selling Unit : I.G.						
	Bombay	Okha	Cal-cutta	Cochin	Kandla	Madras	Vizag.	Bombay	Okha	Cal-cutta	Cochin	Kandla	Madras	Vizag.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(i) F.O.B.	1·0022	..	1·0022	1·0022	1·0022	1·0022	1·0022	0·9942	..	0·9942	0·9942	0·9942	0·9942	0·9942
(ii) Freight	0·0436	..	0·0832	0·0533	0·0488	0·0832	0·0832	0·0433	..	0·0825	0·0529	0·0484	0·0825	0·0825
(iii) Insurance	0·0008	..	0·0008	0·0008	0·0008	0·0008	0·0008	0·0008	..	0·0008	0·0008	0·0008	0·0008	0·0008
(iv) Ocean Loss	0·0057	..	0·0059	0·0057	0·0057	0·0059	0·0059	0·0056	..	0·0058	0·0057	0·0056	0·0058	0·0058
(a) C.I.F.	1·0523	..	1·0921	1·0620	1·0575	1·0921	1·0921	1·0439	..	1·0833	1·0536	1·0490	1·0833	1·0833
(b) Customs Duty	1·2500	..	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	..	1·2500	1·2500	1·2500	1·2500	1·2500
(c) Wharfage	0·0434	..	0·0524	0·0226	0·0260	0·0250	0·0187	0·0434	..	0·0524	0·0226	0·0260	0·0250	0·0187
(d) Other statutory charges	0·0012	..	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	..	0·0012	0·0012	0·0012	0·0012	0·0012
(1) Landed cost	2·3469	..	2·3957	2·3358	2·3347	2·3863	2·3620	2·3385	..	2·3869	2·3274	2·3262	2·3595	2·3532
(2) Installation	0·0716	..	0·0716	0·0716	0·0716	0·0716	0·0716	0·0716	..	0·0716	0·0716	0·0716	0·0716	0·0716
(3) Administration	0·1107	..	0·1107	0·1107	0·1107	0·1107	0·1107	0·1107	..	0·1107	0·1107	0·1107	0·1107	0·1107
(4) Remuneration	0·1245	..	0·1245	0·1245	0·1245	0·1245	0·1245	0·1245	..	0·1245	0·1245	0·1245	0·1245	0·1245
(A) Ex-M.I., Price (1 to 4)	2·6537	..	2·7025	2·6426	2·6415	2·6751	2·6688	2·6453	..	2·6937	2·6342	2·6330	2·6663	2·6600
(5) (i) Distribution	0·0192	..	0·0192	0·0192	0·0192	0·0192	0·0192	0·0192	..	0·0192	0·0192	0·0192	0·0192	0·0192
(ii) Barrel storage	..	..	..	..	..	..	..	..	..	..	..	..	..	..
(iii) Unrecovered freight	..	..	..	..	..	..	..	..	..	..	..	..	..	..
(iv) Commission	..	..	..	..	..	..	..	..	..	..	..	..	..	..
(B) Ex-Upcountry (A+5)	2·6729	..	2·7217	2·6618	2·6607	2·6943	2·6880	2·6645	..	2·7219	2·6534	2·6522	2·6855	2·6792
(6) Airfield	0·2063	..	0·2063	0·2063	0·2063	0·2063	0·2063	0·2063	..	0·2063	0·2063	0·2063	0·2063	0·2063
(C) Ex-Airfield (B+6)	2·8792	..	2·9280	2·8681	2·8670	2·9006	2·8943	2·8708	..	2·9192	2·8597	2·8595	2·8918	2·8855
(D) Packed Bulk differential for 4 I.G. tin	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Rounded to :—														
Ex—M.I.	2·65	..	2·70	2·64	2·64	2·68	2·67	2·65	..	2·69	2·63	2·63	2·67	2·66
Ex—Upcountry	2·67	..	2·72	2·66	2·66	2·69	2·69	2·66	..	2·71	2·65	2·65	2·69	2·68
Ex-airfield	2·88	..	2·93	2·87	2·87	2·90	2·89	2·87	..	2·92	2·86	2·86	2·89	2·89

Annexure I (d)

STATEMENT SHOWING THE MAXIMUM PRICES EX-SELLING POINTS AS ON 1-4-1958.

Items	Product : Aviation Spirit 73 ON Selling Unit I.G.							Product : Aviation Turbine Fuel Selling Unit : I.G.						
	Bombay	Okha	Calcutta	Cochin	Kandla	Madras	Vizag.	Bombay	Okha	Calcutta	Cochin	Kandla	Madras	Vizag.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(*i*) F.O.B.	0·8179	..	0·8179	0·8179	0·8179	0·8179	0·8179	0·5145	0·5145	0·5145	0·5145	0·5145	0·5145	0·5145
(*ii*) Freight	0·0441	..	0·0841	0·0539	0·0494	0·0841	0·0841	0·0490	0·0548	0·0934	0·0598	0·0548	0·0934	0·0934
(*iii*) Insurance	0·0006	..	0·0006	0·0006	0·0006	0·0006	0·0006	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004
(*iv*) Ocean Loss	0·0047	..	0·0049	0·0047	0·0047	0·0049	0·0049	0·0014	0·0014	0·0015	0·0014	0·0014	0·0015	0·0015
(*a*) C.I.F.	0·8673	..	0·9075	0·8771	0·8726	0·9075	0·9075	0·5653	0·5711	0·6098	0·5761	0·5711	0·6098	0·6098
(*b*) Customs Duty	1·2500	..	1·2500	1·2500	1·2500	1·2500	1·2500	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875
(*c*) Wharfage	0·0434	..	0·0524	0·0226	0·0260	0·0250	0·0187	0·0104	0·0071	0·0210	0·0117	0·0104	0·0116	0·0210
(*d*) Other Statutory Charges	0·0012	..	0·0012	0·0012	0·0012	0·0012	0·0012	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018
(1) Landed Cost	2·1619	..	2·2111	2·1509	2·1498	2·1837	2·1774	0·7650	0·7675	0·8201	0·7771	0·7708	0·8107	0·8201
(2) Installation	0·0716	..	0·0716	0·0716	0·0716	0·0716	0·0716	0·0130	0·0130	0·0130	0·0130	0·0130	0·0130	0·0130
(3) Administration	0·1107	..	0·1107	0·1107	0·1107	0·1107	0·1107	0·0389	0·0389	0·0389	0·0389	0·0389	0·0389	0·0389
(4) Remuneration	0·1245	..	0·1245	0·1245	0·1245	0·1245	0·1245	0·0430	0·0430	0·0430	0·0430	0·0430	0·0430	0·0430
(A) Ex-M.I. Price (1 to 4)	2·4687	..	2·5719	2·4577	2·4566	2·4905	2·4842	0·8599	0·8624	0·9150	0·8720	0·8657	0·9056	0·9150
(5) (*i*) Distribution	0·0192	..	0·0192	0·0192	0·0192	0·0192	0·0192	0·0246	0·0246	0·0246	0·0246	0·0246	0·0246	0·0246
(*ii*) Barrel Storage	..	..	..	..	..	..	..	..	..	..	..	..	..	..
(*iii*) Unrecovered freight	..	..	..	..	..	..	..	..	..	..	..	..	..	..
(*iv*) Commission	..	..	..	..	..	..	..	..	..	..	..	..	..	..
(B) Ex-Upcountry (A + 5)	2·4879	..	2·5371	2·4769	2·4758	2·5097	2·5024	0·8845	0·8870	0·9396	0·8966	0·8903	0·9302	0·9396
(6) Airfield	0·2063	..	0·2063	0·2063	0·2063	0·2063	0·2063	0·1994	0·1994	0·1994	0·1994	0·1994	0·1994	0·1994
(C) Ex-Airfield (B+6)	2·6942	..	2·7434	2·6832	2·6821	2·7160	2·7097	1·0839	1·0864	1.1390	1.0960	1·0897	1·1296	1·1390
(D) Packed Bulk differential for 4 I.G. tins	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Rounded to :														
Ex—M.I.	2·47	..	2·52	2·46	2·46	2·49	2·48	0·86	0·86	0·91	0·87	0·87	0·91	0·91
Ex—Upcountry	2·49	..	2·54	2·48	2·48	2·51	2·50	0·88	0·89	0·94	0·90	0·89	0·93	0·94
Ex-Airfield	2·69	..	2·74	2·68	2·68	2·72	2·71	1·08	1·09	1·14	1·10	1·09	1·13	1·14

ANNEXURE 1 (e)

STATEMENT SHOWING THE MAXIMUM PRICES EX-SELLING POINTS AS ON 1-4-58

Items	Product: High Speed Diesel Oil. Selling Unit. I. G.							Product: Vaporizing Oil. Selling Unit. I. G.						
	Bombay	Okha	Calcutta	Cochin	Kandla	Madras	Vizag.	Bombay	Okha	Calcutta	Cochin	Kandla	Madras	Vizag
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(*i*) F. O. B.	0·5104	0·5104	0·5104	0·5104	0·5104	0·5104	0·5104	0·5145	0·5145	0·5145	0·5145	0·5145	0·5145	0·5145
(*ii*) Freight	0·0520	0·0582	0·0992	0·0635	0·0582	0·0992	0·0992	0·0509	0·0570	0·0971	0·0622	0·0570	0·0971	0·0971
(*iii*) Insurance	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004
(*iv*) Ocean Loss	0·0017	0·0018	0·0019	0·0018	0·0018	0·0019	0·0019	0·0020	0·0020	0·0021	0·0020	0·0020	0·0021	0·0021
(*a*) C. I. F.	0·5645	0·5708	0·6119	0·5761	0·5708	0·6119	0·6119	0·5678	0·5739	0·6141	0·5791	0·5739	0·6141	0·6141
(*b*) Customs Duty	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000
(*c*) Wharfage	0·0260	0·0076	0·0221	0·0073	0·0104	0·0130	0·0122	0·0104	0·0104	0·0215	0·0117	0·0104	0·0116	0·0107
(*d*) Other statutory charges	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011	0·0017	0·0017	0·0017	0·0017	0·0017	0·0017	0·0017
(1) Landed Cost	1·1916	1·1795	1·2351	1·1845	1·1823	1·2260	1·2252	1·1799	1·1860	1·2373	1·1925	1·1860	1·2274	1·2265
(2) Installation	0·0190	0·0190	0·0190	0·0190	0·0190	0·0190	0·0190	0·0320	0·0320	0·0320	0·0320	0·0320	0·0320	0·0320
(3) Administration	0·0582	0·0582	0·0582	0·0582	0·0582	0·0582	0·0582	0·0613	0·0613	0·0613	0·0613	0·0613	0·0613	0·0613
(4) Remuneration	0·0657	0·0657	0·0657	0·0657	0·0657	0·0657	0·0657	0·0654	0·0654	0·0654	0·0654	0·0654	0·0654	0·0654
(A) Ex-M.I. Price (1 to 4)	1·3345	1·3224	1·3780	1·3274	1·3252	1·3689	1·3681	1·3386	1·3447	1·3960	1·3512	1·3447	1·3861	1·3852
(5) (*i*) Distribution	0·0943	0·0943	0·0943	0·0943	0·0943	0·0943	0·0943	0·0441	0·0441	0·0441	0·0441	0·0441	0·0441	0·0441
(*ii*) Barrel Storage	..	..	..	..	..	..	..	0·0003	0·0003	0·0003	0·0003	0·0003	0·0003	0·0003
(*iii*) Unrecovered freight	0·0017	0·0017	0·0017	0·0017	0·0017	0·0017	0·0017	0·0040	0·0040	0·0040	0·0040	0·0040	0·0040	0·0040
(*iv*) Commission	0·0800	0·0800	0·0800	0·0800	0·0800	0·0800	0·0800	0·0300	0·0300	0·0300	0·0300	0·0300	0·0300	0·0300
(B) Ex-Upcountry (A+5)	1·5105	1·4984	1·5540	1·5034	1·5012	1·5449	1·5441	1·4170	1·4231	1·4744	1·4296	1·4231	1·4645	1·4636
(6) Airfield	..	..	..	..	..	..	..	..	..	..	..	..	..	..
(C) Ex-Airfield (B+6)	..	..	..	..	..	..	..	..	..	..	..	..	..	..
(D) Packed Bulk differential for 4 I.G. tins	1·56	1·56	1·56	1·56	1·56	1·56	1·56	1·56	1·56	1·56	1·56	1·56	1·56	1·56
Rounded to:														
Ex-M. I.	1·33	1·32	1·38	1·33	1·33	1·37	1·37	1·34	1·34	1·40	1·35	1·34	1·39	1·38
Ex-Upcountry	1·51	1·50	1·55	1·50	1·50	1·54	1·54	1·42	1·42	1·47	1·43	1·42	1·46	1·46
Ex-Airfield	..	..	..	..	..	..	..	..	..	..	..	..	..	..

ANNEXURE 1 (f)

STATEMENT SHOWING THE MAXIMUM PRICES EX-SELLING POINTS AS ON 1-4-58.

Items	Product : Furnace Oil. Selling Unit : Ton							Product : Light Diesel Oil. Selling Unit: Ton						
	Bombay	Okha	Calcutta	Cochin	Kandla	Vizag.	Madras	Bombay	Okha	Calcutta	Cochin	Kandla	Vizag.	Madras.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(*i*) F. O. B.	65·60	65·60	65·60	65·60	65·60	65·60	65·60	126·18	126·18	126·18	126·18	126·18	126·18	126·18
(*ii*) Freight	14·13	15·81	26·94	17·26	15·81	26·94	26·94	14·13	15·81	26·94	17·26	15·81	26·94	26·94
(*iii*) Insurance	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·10	0·10	0·10	0·10	0·10	0·10	0·10
(*iv*) Ocean loss	0·09	0·09	0·10	0·09	0·09	0·10	0·10	0·62	0·62	0·67	0·63	0·63	0·67	0·67
(*a*) C. I. F.	79·87	81·55	92·69	83·00	81·55	92·69	92·69	141·03	142·71	153·89	144·17	142·72	153·89	153·89
(*b*) Customs Duty	29·40	29·40	29·40	29·40	29·40	29·40	29·40	65·60	65·60	65·60	65·60	65·60	65·60	65·60
(*c*) Wharfage	6·17	1·35	5·69	2·00	2·47	3·00	3·20	6·78	1·36	5·82	2·03	2·71	3·18	3·39
(*d*) Other statutory charges	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·20	0·20	0·20	0·20	0·20	0·20	0·20
(1) Landed cost	115·50	112·36	127·84	114·46	113·48	125·15	125·35	213·61	209·87	225·51	212·00	211·23	222·87	223·08
(2) Installation	2·26	2·26	2·26	2·26	2·26	2·26	2·26	4·96	4·96	4·96	4·96	4·96	4·96	4·96
(3) Administration	5·65	5·65	5·65	5·65	5·65	5·65	5·65	10·46	10·46	10·46	10·46	10·46	10·46	10·46
(4) Remuneration	6·58	6·58	6·58	6·58	6·58	6·58	6·58	11·88	11·88	11·88	11·88	11·88	11·88	11·88
(A) Ex-M.I. Price (1 to 4)	129·99	126·85	142·33	128·95	127·97	139·64	139·84	240·91	237·17	252·81	239·30	238·53	250·17	250·38
(5) (*i*) Distribution	5·14	5·14	5·14	5·14	5·14	5·14	5·14	6·17	6·17	6·17	6·17	6·17	6·17	6·17
(*ii*) Barrel storage allowance	..	..	..	..	..	..	..	0·22	0·22	0·22	0·22	0·22	0·22	0·22
(*iii*) Unrecovered freight	..	..	..	..	..	..	..	5·14	5·14	5·14	5·14	5·14	5·14	5·14
(*iv*) Commission	..	..	..	..	..	..	..	7·88	7·88	7·88	7·88	7·88	7·88	7·88
(B) Ex-Upcountry (A+5)	135·13	131·99	147·47	134·09	133·11	144·78	144·98	260·32	256·58	272·22	258·71	257·94	269·58	269·79
(6) Airfield	..	..	..	..	..	..	..	..	..	..	..	..	..	..
(C) Ex-Airfield (B+6)	..	..	..	..	..	..	..	..	..	..	..	..	..	..
(D) Packed Bulk differential for 4 I. G. tins	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ex-M.I.	129·90	126·85	142·33	128·95	127·97	139·64	139·84	240·91	237·17	252·81	239·30	238·53	250·17	250·38
Ex-Depot	135·13	131·99	147·47	134·09	133·11	144·78	144·98	260·32	256·58	272·22	258·71	257·94	269·58	269·79
Ex-Airfield	..	..	..	..	..	..	..	..	..	..	..	..	..	..

ANNEXURE 2

STATEMENT SHOWING THE LANDED COST OF PETROLEUM PRODUCTS SINCE 1ST APRIL 1958 AT EACH PORT.

Date	Products	Unit	Ports						
			Bombay	Okha	Calcutta	Cochin	Kandla	Madras	Vizag
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1-4-58	Motor spirit	IG	1·8427	1·8110	1·8921	1·8247	1·8306	1·8646	1·8583
	Superior kerosene	8IG	6·0672	6·0880	6·5096	6·1456	6·1144	6·4376	6·4272
	Inferior kerosene	8IG	5·9088	5·9328	6·3736	5·9928	5·9592	6·2984	6·2880
	Aviation spirit 100/130	IG	2·2758	..	2·3254	2·2649	2·2633	2·2980	2·2917
	Aviation spirit 115/145	IG	2·3469	..	2·3957	2·3358	2·3347	2·3683	2·3620
	Aviation spirit 108/135	IG	2·3385	..	2·3869	2·3274	2·3262	2·3595	2·3532
	Aviation spirit 73	IG	2·1619	..	2·2111	2·1509	2·1498	2·1837	2·1774
	Aviation turbo Fuel	IG	0·7666	0·7692	0·8219	0·7788	0·7725	0·8125	0·8219
	High Speed Diesel	IG	1·1916	1·1795	1·2351	1·1845	1·1823	1·2260	1·2252
	Vaporising oil	IG	1·1799	1·1860	1·2373	1·1925	1·1860	1·2274	1·2265
	Furnace Oil	Ton	115·50	112·36	127·84	114·46	113·48	125·35	125·15
	Light Diesel Oil	Ton	213·61	209·87	225·51	212·00	211·23	223·08	222·87
3-5-58	Motor spirit	IG	1·8427	1·8110	1·8921	1.8247	1·8306	1·8646	1·8583
	Superior kerosene	8IG	6·0672	6·0880	6·5096	6·1456	6·1144	6·4376	6·4272
	Inferior kerosene	8IG	5·9088	5·9328	6·3736	5·9928	5·9592	6·2984	6·2880
	Aviation spirit 100/130	IG	2·2588	..	2·3084	2·2479	2.2467	2.2810	2.2747
	Aviation spirit 115/145	IG	2·3298	..	2·3786	2·3187	2·3176	2·3512	2·3449
	Aviation spirit 108/135	IG	2·3215	..	2·3699	2·3104	2·3092	2·3425	2·3362
	Aviation spirit 73	IG	2·1449	..	2·1941	2·1339	2·1328	2·1667	2·1604
	Aviation turbo fuel	IG	0·7666	0·7692	0·8219	0·7788	0·7725	0·8125	0·8219
	High Speed Diesel oil	IG	1·1916	1·1795	1·2351	1·1845	1·1823	1·2260	1·2252
	Vaporising oil	IG	1·1799	1·1860	1·2373	1·1925	1·1860	1·2274	1·2265
	Furnace Oil	Ton	115·50	112·36	127·84	114·46	113·48	125·35	125·15
	Light Diesel Oil	Ton	213·61	209·87	225·51	212·00	211·23	223·08	222·87
6-5-58	Motor gasoline	IG	1·8427	1·8110	1·8921	1·8247	1·8306	1·8646	1·8583
	Superior kerosene	8IG	6·0672	6·0880	6·5096	6·1456	6·1144	6·4376	6·4272
	Inferior kerosene	8IG	5·9088	5·9328	6·3736	5·9928	5·9592	6·2984	6·2880
	Aviation spirit 100/130	IG	2·2474	..	2·2970	2·3366	2·2353	2·2696	2·2633
	Aviation spirit 115/145	IG	2·3184	..	2·3672	2·3074	2·3062	2·3398	2·3336
	Aviation spirit 108/135	IG	2·3103	..	2·3587	2·2991	2·2980	2·3313	2·3260
	Aviation spirit 73	IG	2·1335	..	2·1827	2·1226	2·1714	2·1553	2·1490
	Aviation turbo fuel	IG	0·7666	0·7692	0·8219	0·7788	0·7725	0·8125	0·8219
	High Speed Diesel	IG	1·1916	1·1795	1·2351	1·1845	1·1823	1·2260	1·2252
	Vaporising Oil	IG	1·1799	1·1860	1.2373	1·1925	1·1860	1·2274	1·2265
	Furnace Oil	Ton	115·50	112·36	127·84	114·46	113·48	125·35	125·15
	Light Diesel oil	Ton	213·61	209·87	225·51	212·00	211·23	223·08	222·87
16-6-58	Motor spirit	IG	1·8427	1·8110	1·8921	1·8247	1·8306	1·8646	1·8583
	Superior kerosene	8IG	6·0672	6·0880	6·5096	6·1456	6·1144	6·4376	6·4272
	Inferior kerosene	8IG	5·9088	5·9328	6·3736	5·9928	5·9592	6·2984	6·2880
	Aviation spirit 100/130	IG	2·2588	..	2·3084	2·2479	2·2467	2.2810	2·2747
	Aviation spirit 115/145	IG	2·3298	..	2·3786	2.3187	2·3176	2·3512	2·3449
	Aviation spirit 108/135	IG	2·3215	..	2·3699	2·3104	2·3092	2·3425	2.3362
	Aviation spirit 73	IG	2·1449	..	2·1941	2·1339	2·1328	2·1667	2·1604
	Aviation turbo fuel	IG	0·7666	0·7692	0·8219	0·7788	0·7725	0·8125	0·8219
	High Speed Diesel	IG	1·1916	1·1795	1·2351	1·1845	1·1823	1·2260	1·2252
	Vaporising oil	IG	1·1799	1·1860	1·2373	1·1925	1·1860	1·2274	1·2265
	Furnace oil	Ton	115·50	112·36	127·84	114·46	113·48	125·35	125·15
	Light Diesel oil	Ton	213·61	209·87	225·51	212·00	211·23	223·08	222·87
1-7-58	Motor spirit	IG	1·8425	1·8108	1·8917	1·8277	1·8304	1·8642	1·8579
	Superior kerosene	8IG	6·0656	6·0864	6·5064	6·1440	6·1128	6·4344	6·4240
	Inferior kerosene	8IG	5·9072	5·9312	6·3704	5·9912	5·9576	6·2952	6·2848
	Aviation spirit 100/130	IG	2·2586	..	2·3080	2·2501	2·2465	2·2806	2·2743
	Aviation spirit 115/145	IG	2·3297	..	2·3782	2·3209	2·3174	2·3508	2·3445
	Aviation spirit 108/135	IG	2·3213	..	2·3695	2·3126	2·3090	2.3421	2·3358
	Aviation spirit 73	IG	2·1448	..	2·1938	2·1361	2·1326	2·1664	2·1601
	Aviation turbine Fuel	IG	0·7664	0·7690	0·8215	0·7787	0·7723	0·8121	0·8215
	High Speed Diesel Oil	IG	1·1914	1·1793	1·2346	1·1863	1·1821	1·2255	1·2247
	Vaporising Oil	IG	1·1797	1·1858	1·2368	1·1924	1·1858	1·2269	1·2260
	Furnace Oil	Ton	115·45	112·30	127·72	114·90	113·42	125·23	125·03
	Light Diesel Oil	Ton	213·56	209·81	225·39	212·41	211·17	222·96	222·75

ANNEXURE 2

STATEMENT SHOWING THE LANDED COST OF PETROLEUM PRODUCTS SINCE 1ST APRIL 1958 AT EACH PORT.

Date	Product	Unit	Ports						
			Bombay	Okha	Cal-cutta	Cochin	Kandla	Madras	Vizag.
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
16-7-58	Motor spirit	IG	1·8651	1·8334	1·9143	1·8503	1·8530	1·8868	1·8805
	Superior kerosene	8IG	6·0656	6·0864	6·5064	6·1440	6·1128	6·4344	6·4240
	Inferior kerosene	8IG	5·9072	5·9312	6·3704	5·9912	5·9576	6·2952	6·2848
	Aviation spirit 100/130	IG	2·2586	..	2·3080	2·2501	2·2465	2·2806	2·2743
	Aviation spirit 115/145	IG	2·3297	..	2·3782	2·3209	2·3174	2·3508	2·3445
	Aviation spirit 108/135	IG	2·3213	..	2·3695	2·3126	2·3090	2·3421	2·3358
	Aviation spirit 73	IG	2·1448	..	2·1938	2·1361	2·1326	2·1664	2·1601
	Aviation Turbo Fuel	IG	0·7664	0·7690	0·8215	0·7787	0·7723	0·8121	0·8215
	High Speed Diesel Oil	IG	1·1914	1·1793	1·2346	1·1863	1·1821	1·2255	1·2247
	Vaporising oil	IG	1·1910	1·1971	1·2482	1·2038	1·1971	1·2383	1·2374
	Furnace Oil	Ton	115·45	112·30	127·72	114·90	113·42	125·23	125·03
	Light Diesel Oil	Ton	213·56	209·81	225·39	212·41	211·17	222·96	222·75
12-8-58	Motor spirit	IG	1·8651	1·8334	1·9143	1·8503	1·8530	1·8868	1·8805
	Superior Kerosene	8IG	6·1560	6·1768	6·5968	6·2352	6·2032	6·5248	6·5144
	Inferior Kerosine	8IG	6·0432	6·0664	6·5056	6·1264	6·0928	6·4304	6·4200
	Aviation Spirit 100/130	IG	2·2586	..	2·3080	2·2501	2·2465	2·2806	2·2743
	Aviation Spirit 115/145	IG	2·3297	..	2·3782	2·3209	2·3174	2.3508	2·3445
	Aviation Spirit 108/135	IG	2·3213	..	2·3695	2·3126	2·3090	2·3421	2·3358
	Aviation Spirit 73	IG	2·1448	..	2·1938	2.1361	2·1326	2·1664	2·1601
	Aviation Turbo Fuel	IG	0·7835	0·7861	0·8386	0·7958	0·7894	0·8292	0·8386
	High Speed Diesel Oil	IG	1·2086	1·1964	1·2517	1·2034	1·1992	1·2426	1·2418
	Vaporising Oil	IG	1·1910	1·1971	1·2482	1.2098	1·1971	1·2383	1·2374
	Furnace Oil	Ton	115·45	112·30	127·72	114·90	113·42	125·23	125·03
	Light Diesel Oil	Ton	217·74	213·98	229·57	216·58	215·34	227·14	226·93
20-9-58	Motor Spirit	IG	1·8651	1·8334	1·9143	1·8503	1·8530	1·8868	1·8805
	Superior Kerosene	8IG	6·1560	6·1768	6·5968	6·2352	6·2032	6·5248	6·5144
	Inferior Kerosene	8IG	6·0432	6·0664	6·5056	6·1264	6·0928	6·4304	6·4200
	Aviation Spirit 100/130	IG	2·2586	..	2·3080	2·2501	2·2465	2·2806	2·2743
	Aviation Spirit 115/145	IG	2·3297	..	2·3782	2·3209	2·3174	2·3508	2·3445
	Aviation Spirit 108/135	IG	2·3213	..	2·3695	2·3126	2.3090	2·3421	2·3358
	Aviation Spirit 73	IG	2·1448	..	2·1938	2·1361	2·1326	2·1664	2·1601
	Aviation Turbo Fuel	IG	0·7835	0·7861	0·8386	0·7958	0·7894	0·8292	0·8386
	High Speed Diesel Oil	IG	1·2086	1·1964	1·2517	1·2034	1·1992	1·2426	1·2418
	Vaporising Oil	IG	1·1910	1·1971	1·2482	1·2038	1.1971	1·2383	1·2374
	Furnace Oil	Ton	110·64	107·49	122·92	110·10	108·61	120·43	120·23
	Light Diesel Oil	Ton	217·25	213·50	229·08	216·10	214·86	226·66	226·45
1-10-58	Motor Spirit	IG	1·8644	1·8325	1·9126	1·8493	1·8521	1·8851	1·8788
	Superior Kerosene	8IG	6·1496	6·1680	6·5816	6·2256	6·1944	6·5096	6·4992
	Inferior Kerosene	8IG	6·0368	0·0576	6·4896	6·1168	6·0840	6·4144	6·4040
	Aviation Spirit 100/130	IG	2·2579	..	2·3063	2·2491	2·2456	2·2789	2·2726
	Aviation Spirit 115/145	IG	2·3289	..	2·3766	2·3199	2·3165	2·3492	2·3429
	Aviation Spirit 108/135	IG	2·3206	..	2·3679	2·3116	2·3082	2·3405	2·3342
	Aviation Spirit 73	IG	2·1440	..	2·1921	2·1351	2·1317	2·1647	2·1584
	Aviation Turbo Fuel	IG	0·7827	0·7851	0·8367	0·7947	0·7884	0·8273	0·8367
	High Speed Diesel Oil	IG	1·2077	1·1953	1·2497	1·2022	1·1981	1·2406	1·2398
	Vaporising Oil	IG	1·1919	1·1977	1·2480	1·2043	1.1977	1·2381	1·2372
	Furnace Oil	Ton	110·40	107·20	122·38	109·78	108·32	119·89	119·69
	Light Diesel Oil	Ton	217·10	213·21	228·54	215·78	214·57	226·11	225·90
10-12-58	Motor Spirit	IG	1·8644	1·8325	1·9126	1·8493	1·8521	1·8851	1·8788
	Superior Kerosene	8IG	6·2408	6·2592	6·6728	6·3168	6·2856	6·6008	6·5904
	Inferior Kerosene	8IG	6·0368	6·0576	6·4896	6·1168	6·0840	6·4144	6·4040
	Aviation Spirit 100/130	IG	2·2579	..	2·3063	2·2491	2·2456	2·2789	2·2726
	Aviation Spirit 115/145	IG	3·3289	..	2·3766	2·3199	2·3165	2·3492	2·3429
	Aviation Spirit 108/135	IG	2·3206	..	2·3679	2·3116	2·3082	2·3405	2·3342
	Aviation Spirit 73	IG	2·1440	..	2·1921	2·1351	2·1317	2·1647	2·1584
	Aviation Turbo Fuel	IG	0·7941	0·7964	0·8480	0·8060	0·7997	0·8386	0·8480
	High Speed Diesel Oil	IG	1·2077	1·1953	1·2497	1·2022	1·1981	1·2406	1·2398
	Vaporising Oil	IG	1·1959	1·2018	1·2520	1·2083	1·2018	1·2421	1·2412
	Furnace Oil	Ton	110·40	107·20	122·38	109·78	108·32	119·89	119·69
	Light Diesel Oil	Ton	217·10	213·21	228·54	215·78	214·57	226·11	225·90

ANNEXURE 3

STANDARD VACUUM OIL COMPANY

Statement showing the details of marketing and distribution charges element-wise allowed by C.C.A.O. for future and the break-up of the same under the different functions.

Figures in lakhs/Rs.

Serial No.	Functions	Total		Installation/Terminal		Administration		Distribution		Airfield	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Salaries and Wages	198·50	30·4	29·40	25·1	123·10	51·8	41·00	14·6	5·00	27·5
2	Contract Payments .	19·50	3·0	13·20	11·3	1·20	0·5	4·10	1·5	1·00	5·5
3	Maintenance, Repairs and Supplies .	69·80	10·7	14·20	12·1	5·80	2·4	47·80	17·1	2·00	11·0
4	Services rendered by N.Y. and Genl. Rep. Office .	34·00	5·2	..	..	34·00	14·3	..	..	..	..
5	Taxes other than income . .	9·00	1·4	2·20	1·9	1·80	0·8	5·00	1·8	..	..
6	Self and Outside Insurance . .	4·90	0·8	2·60	2·2	0·40	0·1	1·80	0·6	0·10	0·5
7	Travelling and Motor Car Expenses .	39·80	6·1	1·40	1·2	20·90	8·8	16·70	6·0	0·80	4·4
8	Advertising . .	12·60	1·9	..	..	4·90	2·1	7·70	2·7	..	..
9	Delivery Charges .	68·80	10·5	..	..	..	..	66·00	23·5	2·80	15·4
10	Sundry Expenses .	36·90	5·6	12·40	10·6	22·30	9·4	1·30	0·5	0·90	4·9
11	Depreciation . .	52·00	8·0	11·50	9·8	4·20	1·8	33·90	12·1	2·40	13·2
12	Other over-heads .	45·00	6·8	9·20	7·8	19·00	8·0	16·30	5·8	0·50	2·8
13	Loading and Minor Charges . . .	7·10	1·1	7·10	6·1	..	..	..	..	..	..
14	Non-statutory Landing Charges .	2·70	0·4	2·70	2·3	..	..	..	..	..	..
15	Losses at the Terminals . .	11·20	1·7	11·20	9·6	..	..	..	..	..	..
16	Losses at the Upcountry . .	18·80	2·9	..	..	..	..	16·10	5·7	2·70	14·8
	TOTAL . .	630·60	96·5	117·10	100·0	237·60	100·0	257·70	91·9	18·20	100·0
17	Unrecovered Freight	19·95	3·1	..	..	..	..	19·95	7·1	..	..
18	Barrel Storage Allowance . .	2·65	0·4	..	..	..	..	2·65	1·9	..	..
	GRAND TOTAL .	653·20	100·0	117·10	100·0	237·60	100·0	280·30	100·0	18·20	100·0

APPENDIX I

15-5-58

Terms of reference for the Chief Cost Accounts Officer, Ministry of Finance, regarding examination to evolve a new pricing formula for petroleum products.

1. It is the intention of the Government of India that, with the cooperation of the companies marketing petroleum products in India, a new pricing fromula should be evolved to cover all petroleum products marketed in, or from, this country, by all such companies and, for this purpose, to arrive at an agreed break up of the items to be included in the said formula, and the quantum of each such item.

2. With this end in view, the Chief Cost Accounts Officer, Ministry of Finance, is nominated by the Government to examine (with the assistance of such of his staff as he may require) the quantum and propriety of all charges (from f.o.b. point, or points through c.i.f. to companies' selling point) that have been included by the companies in their selling prices of each product in the past.

3. After taking into account the trends of these charges in the past, the Chief Cost Accounts Officer shall analyse and report which of these charges, and the quantum of each such charges, that may be included, in his opinion, in the proposed new pricing formula. While doing so, the Chief Cost Accounts Officer shall give his comments in detail on variations, if any, between the composition and the quantum of charges that, in his opinion, may be included in the proposed new pricing formula and their composition and quantum as has been included in the selling prices by the companies in the past.

4. The Chief Cost Accounts Officer shall also analyse and report on the manner in which indirect charges, which could not be specifically allocated to particular products, have been so far allocated by the companies in the past between the products, so that the Government may consider, in consultation with the companies, how such allocation should be made in the proposed new pricing formula with a view to influencing the future consumption pattern in this country.

5. With regard to direct charges, being included in the past selling prices or to be included in future prices, the Chief Cost Accounts Officer may exclude from consideration all duties and taxes on products.

6. On the basis of his conclusions at the end of this examination, the Chief Cost Accounts Officer shall also analyse and report on the basis of determining profits, on the level of such profits, of these companies in the past.

7. For the purposes of this examination, the Chief Cost Accounts Officer may select representative years in the past but, while doing so, should include one sample year immediately prior to the introduction of the VSA procedure (such as 1948) and one representative year immediately after the introduction of that procedure (such as 1951). Further, the trends of charges included in the selling prices in this country, and of the selling prices, should be compared as far as feasible with similar trends over the same period in such other countries as in United Kingdom, France, Pakistan and Ceylon.

8. In the first instance, the Chief Cost Accounts Officer shall formulate, in consultation with the Cost Accounts of these companies, detailed proposals regarding the procedure and time schedule for his carrying out this examination and submit these proposals within a month for the approval of Government. In accordance with the proposals as may be approved by Government, and subject to such further directions as Government may give to him from time to time the Chief Cost Accounts Officer will thereafter proceed, with the cooperation of the companies, with the proposed examination so as to complete it and submit his final report to Government within a further period of four months.

9. This examination will cover the undernoted companies marketing petroleum products in India :—

(*i*) Burmah-Shell Oil Storage & Distributing Company of India Limited.
(*ii*) Burmah Oil Company (India Trading) Ltd., Digboi, Assam
(*iii*) Indo Burma Petroleum Company Ltd.,
(*iv*) Standard Vacuum Oil Company.
(*v*) Caltex (India) Ltd.
(*vi*) Western India Oil Distributing Company Ltd.

APPENDIX II

Proforma of the Price Build-up According to the Formula for the Bulk Refind Products

			Product		Selling Unit		
Ports	Bombay	Okha	Calcutta	Cochin	Kandla	Madras	Vizag.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(*i*) F.O.B.							
(*ii*) Freight							
(*iii*) Insurance							
(*iv*) Ocean Loss							
(*a*) C.I.F.							
(*b*) Customs Duty							
(*c*) Wharfage							
(*d*) Other Statutory Charges							
1. Landed Cost							
2. Installation Charges							
3. Administration Cha							
4. Remuneration							
A. Ex. M.I. Price (1 to 4)							
5. Distribution Charges							
6. Commission							
B. Ex-Upcountry Price (A+5+6).							
7. Airfield Charges							
C. Ex-airfield Price (B+7).							
D. Packed/bulk differential for 4 I.G. Tin							

सत्यमेव जयते

APPENDIX III

Proforma of the Price Build-up Suggested for Lubricants and Greases

Items of Cost	Group 1		Group 2	
	Total Rs.	Per unit Rs.	Total Rs.	Per unit Rs.
1. F.O.B.				
2. Insurance				
3. Ocean freight				
4. Ocean Loss % on (1, 2, 3)				
5. Total C.I.F. of base oil etc.				
6. Import Duty				
7. Landing Charges				
8. Total Landed Cost of imported oils etc. . .				
9. Locally purchased ingredients . . .				
(*a*)				
(*b*)				
(*c*)				
10. Total cost of base material				
11. Blending cost				
Labour				
Overheads				
Depreciation				
12. Total material cost of lubricants including blending				
13. Distribution Charges				
(*a*) At port				
(*b*) Upcountry; if any				
14. Cost of containers				
15. Total cost of sales				
16. Remuneration				
17. Selling price without freight & taxes . .				

Note : Per representative brands in each group.

सत्यमेव जयते

STATEMENTS

Referred to in the Report

STATEMENT NO. 1

Comparative incidences per unit volume of sales during the four year for the Oil Companies towards the various functions of expenses

Incidences per Gallons.

Burmah-Shell Years :	1948	1951	1956	1957
Volume of sales.	330662542	575855587	749132739	805460005
1. *Functions:*	Rs.	Rs.	Rs.	Rs.
Customs duty . .	0·2765	0·3708	0·3663	0·3979
2. *Receiving & Storing* :				
(*i*) Wharfage and Harbour dues .	0·0114	0·0144	0·0197	0·0208
(*ii*) Other charges ·	0·0125	0·0073	0·0118	0·0111
3. Loading . .	0·0052	0·0052	0·0069	0·0067
4. Packed filling & reconditioning .	0·0052	0·0059	0·0085	0·0075
5. Installation, General charges . .	0·0133	0·0154	0·0189	0·0181
6. Office, General charges . . .	0·0477	0·0458	0·0571	0·0589
7. Depot Expenses .	0·0159	0·0185	0·0233	0·0246
8. Hired Storage etc.	0·0010	0·0013	0·0025	0·0016
9. Aerodrome Facilities . . .	0·0054	0·0033	0·0041	0·0041
10. Service and filling stations . .	0·0013	0·0009	0·0073	0·0078
11. Divisional Office ch.	0·0105	0·0088	0·0117	0·0132
12. Commercial Advtg.	0·0001	0·0011	0·0019	0·0019
13. Other Selling Ch. .	0·0005	0·0005	0·0028	0·0009
14. Delivery Charges .	0·0088	0·0085	0·0139	0·0159
15. Boat & Rail Freight	0·0760	0·1038	0·1103	0·1137
16. Commn. & Allowances . . .	0·0319	0·0464	0·0533	0·0512

Stanvac Years :	1948	1951	1956	1957
Volume of sales	172136001	249231645	333362085	380355745
Functions	Rs.	Rs.	Rs.	Rs.
**				
Terminals . .	0·0217	0·0236	0·0213	0·0203
Returnable Steel Barrel . .	0·0014	0·0010	0·0048	0·0036
Territory Office .	0·0347	0·0452	0·0451	0·0329
Division Office .	0·0092	0·0097	0·0285	0·0271
New York Office & General Representative Office .	0·0115	0·0139	0·0096	0·0132
Laboratory .	..	..	0·0005	0·0005
District Office .	..	0·0006	0·0006	0·0007
Advertising . .	0·0018	0·0033	0·0066	0·0049
Salesmen . .	0·0050	0·0063	0·0082	0·0089
Inland Relay depots	0·0158	0·0120	0·0176	0·0174
Aviation Service Facilities . .	0·0031	0·0027	0·0027	0·0030
Retail Pumps Outlets	0·0033	0·0047	0·0105	0·0118
Delivery charges own transport . .	0·0106	0·0109	0·0095	0·0091
Delivery charges outside delivery methods . .	0·0072	0·0076	0·0054	0·0067

Caltex Years :	1948	1951	1956	1957
Volume of sales.	83731628	124074021	197987445	241335546
Functions	Rs.	Rs.	Rs.	Rs.
Import Duties and Taxes . .	0·2849	0·3981	0·3863	0·3926
Wharfage . .	0·0127	0·0156	0·0229	0·0233
Terminal Opg. Exp.	0·0295	0·0234	0·0389	0·0379
Selling Expenses .	0·0062	0·0059	0·0070	0·0061
Delivery by Motor vehicles . .	0·0023	0·0040	0·0061	0·0058
Delivery by Refuellers . . .	0·0006	0·0002	..	..
Loaned Facilities Pumps . .	0·0021	0·0032	0·0067	0·0055
Loaned Others .	0·0008	0·0012	0·0053	0·0064
Misc. Operating Exp.	0·0200	0·0211	0·0204	0·0152
Depot Expenses .	0·0034	0·0059	0·0136	0·0135
Aviation Depot Exp.	0·0014	..	..	..
Distt. Overhead Exp.	0·0344	0·0344	0·0490	0·0447
General Overhead Exp	0·0264	0·0343	0·0422	0·381
Depreciation . .	0·0083	0·0059	0·0218	0·0201

17. Local duties & Taxes	0·0206	0·0237	0·0336	0·0454	Depreciation .	0·0058	0·0081	0·0163	0·0167					
18. Cost of non-returnable packages	0·0393	0·0728	0·0558	0·0540										
19. Depreciation*	0·0053	0·0063	0·0126	0·0134										
TOTAL	0·5884	0·7607	0·8223	0·8687	TOTAL	0·1311	0·1496	0·1872	0·1768	TOTAL	0·4330	0·5532	0·6202	0·6092
1. Statutory charges	0·2879	0·3852	0·3860	0·4187	Marketing & Distribution charges	0·1253	0·1415	0·1709	0·1601	Statutory charges	0·2976	0·4137	0·4092	0·4159
2. Other charges	0·1274	0·1225	0·1707	0·1723	Depreciation .	0·0058	0·0081	0·0163	0·0167	Marketing & Distributing charges	0·1271	0·1336	0·1892	0·1732
3. Depreciation*	0·0053	0·0063	0·0126	0·0134						Depreciation .	0·0083	0·0059	0·0218	0·0201
4. Rly. Frt. Commn.	0·1678	0·2467	0·2530	0·2643										
TOTAL ETC.	0·5884	0·7607	0·8223	0·8687	TOTAL	0·1311	0·1496	0·1872	0·1768	TOTAL	0·4330	0·5532	0·6202	0·6092

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*Depreciation at normal income-tax rates has been substituted for rent/hire.

**As wharfage and customs duty are not separately available, these are not shown in the statement.

STATEMENT No. 2

Comparative statement of Incidence per unit volume of sale for the four years 1948/51/56 and 57 for the Oil Companies towards marketing and distribution expenses.

All Products

	Unit Costs				Difference in Unit Costs from 1948			Percentages			
Quantity sold (Gallons)	1948	1951	1956	1957	1951	1956	1957	1948	1951	1956	1957
	330,662,542	575,855,587	749,132,729	805,460,000							
Burmah-Shell—								108	174	227	244
Installation Charges	0·0362	0·0338	0·0461	0·0434	(—) 0·0024	0·0099	0·0072	100	93	127	120
Distribution Charges	0·0330	0·0341	0·0558	0·0568	0·0011	0·0228	0·0238	100	103	169	172
Administration Charges	0·0582	0·0546	0·0688	0·0721	(—) 0·0036	0·0106	0·0139	100	94	118	124
Rent Hire on facilities	0·0327	0·0283	0·0327	0·0323	(—) 0·0044	..	(—) 0·0004	100	87	100	99
Depreciation	0·0053	0·0063	0·0126	0·0134	..	..	..	100	118	238	253
TOTAL WITH RENT/HIRE	0·1601	0·1508	0·2034	0·2046	(—) 0·0093	0·0433	0·0445	100	94	127	128
TOTAL WITH DEPRECIATION	0·1327	0·1288	0·1833	0·1857							
Stanvac—								100	97	138	140
Sales Quantities I.G.	172,136,001	249,231,645	333,362,085	380,355,745				100	145	194	221
Terminal Charges	0·0231	0·0246	0·0266	0·0244	0·0015	0·0035	0·0013	100	106	115	106
Disribution Charges	0·0468	0·0474	0·0605	0·0618	0·0006	0·0137	0·0150	100	101	129	132
Administration Charges	0·0554	0·0695	0·0838	0·0739	0·0141	0·0284	0·0185	100	125	151	133
Depreciation & Amortization	0·0058	0·0081	0·0163	0·0167	0·0023	0·0105	0·0109	100	140	281	288
TOTAL	0·1311	0·1496	0·1872	0·1768	0·0185	0·0561	0·0457	100	111	143	135
Caltex—											
Sales quantity in eq. gl.	83,731,628	124,074,021	197,987,445	241,335,546				100	148	236	288
Terminal Operating Expenses	0·0295	0·0230	0·0383	0·0374	(—) 0·0065	0·0088	0·0079	100	78	130	127
Station Operating Expenses	0·0368	0·0417	0·0576	0·0516	0·0049	0·0208	0·0148	100	113	157	140
Overheads	0·0608	0·0689	0·0933	0·0842	0·0081	0·0325	0·0234	100	113	153	138
Depreciation	0·0083	0·0059	0·0218	0·0201	(—) 0·0024	0·0135	0·0118	100	71	262	242
TOTAL	0·1354	0·1395	0·2110	0·1933	0·0041	0·0756	0·0579	100	103	156	143

T. B. P.—

Quantity sold: Gallons	17,82,608	19,943,368	25,356,602	29,041,808				100	112	142	162
Installation Charges	0·0326	0·0309	0·0354	0·0368	(—) 0·0017	0·0028	0·0042	100	95	109	113
Distribution	0·0425	0·0429	0·0664	0·0631	0·0004	0·0239	0·0206	100	101	156	148
Administration	0·0426	0·0436	0·0521	0·0506	0·0010	0·0095	0·0080	100	102	122	119
Depreciation	0·0040	0·0069	0·0118	0·0132	0·0029	0·0078	0·0092	100	172	295	330
TOTAL	0·1217	0·1243	0·1657	0·1637	0·0026	0·0440	0·0420	100	102	136	135

	Units Costs				Percentages				Unit Costs				Percentages			
	1948	1951	1956	1957	1948	1951	1956	1957	1948	1951	1956	1957	1948	1951	1956	1957
Burmah-Shell—	(1) *Motor Spirit* (*I.G.*)											(2) *Kerosene*		(Units of 8 I.G.)		
Qty. sold (Units)	78,460,427	145,200,953	138,937,232	135,581,780	100	185	177	173	9952572	20456257	28305984	30534518	100	206	284	307
Installation Charges	0·0485	0·0403	0·0550	0·0507	100	83	113	105	0·3257	0·3089	0·3563	0·3374	100	95	109	104
Distribution Charges	0·0610	0·0677	0·1252	0·1226	100	111	205	201	0·2017	0·1617	0·2583	0·2553	100	80	128	127
Administration Charges	0·0913	0·0869	0·1132	0·1194	100	95	124	131	0·4416	0·3839	0·4885	0·4936	100	87	113	112
Rent/hire on facilities	0·0561	0·0518	0·0737	0·0672	100	92	131	120	0·2912	0·1696	0·1610	0·1532	100	58	55	53
Depreciation	0·0091	0·0114	0·0285	0·0277	100	125	313	304	0·0475	0·0374	0·0535	0·0553	100	79	113	116
Total with Rent/Hire	0·2569	0·2467	0·3671	0·3599	100	96	143	140	1·2602	1·0241	1·2741	1·2395	100	81	101	98
Total with Depreciation	0·2099	0·2063	0·3219	0·3204	100	98	153	153	1·0165	0·8919	1·1666	1·1416	100	88	115	112

STATEMENT No. 2—*Contd.*

	Units Costs				Percentages				Units Costs				Pecentages			
	1948	1951	1956	1957	1948	1951	1956	1957	1948	1951	1956	1957	1948	1951	1956	1957
Stanvac—																
Sales Quantities .	38,482,458	60,102,071	65,261,280	63,457,205	100	156	170	165	4840179	9215470	13157244	14122706	100	190	272	292
Terminal Charges . .	0·0203	0·0303	0·0261	0·0316	100	149	129	156	0·2464	0·2024	0·2608	0·2520	100	82	106	102
Distribution Charges .	0·0716	0·0941	0·1183	0·1297	100	131	165	181	0·5224	0·3392	0·3832	0·3720	100	65	73	71
Administration Charges .	0·0503	0·1035	0·1119	0·1049	100	206	222	209	0·4752	0·8456	0·8336	0·8296	100	178	175	175
Depreciation and Amortisation . .	0·0101	0·0181	0·0377	0·0388	100	179	373	384	0·0520	0·0488	0·0760	0·0816	100	94	146	157
TOTAL .	0·1523	0·2460	0·2940	0·3050	110	162	193	200	1·2960	1·4360	1·5536	1·5352	100	111	120	118
Caltex—																
Sales Quantity	22,413,833 I.G.	36,424,577 I.G.	44,108,547 I.G.	51,617,909 I.G.	100	162	197	230	3087036	4948506 (Units of 8 IG)	8582632	9251426	100	160	278	299
Terminal Opg. Exp. . .	0·0193	0·0142	0·0257	0·0231	100	74	133	120	0·3121	0·2652	0·3323	0·3317	100	85	106	106
Station Opg. Exp. . .	0·0555	0·0603	0·0790	0·0463	100	109	142	83	0·2085	0·2814	0·2507	0·2431	100	135	120	117
Overheads .	0·0813	0·0897	0·1346	0·1205	100	110	166	148	0·5284	0·5822	0·6333	0·6063	100	110	120	115
Depreciation .	0·0102	0·0074	0·0313	0·0281	100	73	307	275	0·0767	0·0546	0·1589	0·1527	100	71	207	199
TOTAL .	0·1663	0·1716	0·2706	0·2180	100	103	163	131	1·1257	1·1834	1·3752	1·3338	100	105	122	118
I. B. P.—																
Quantity sold Unit . .	9,147,155	9,977,836	9,279,027	9,102,518	100	109	101	99	1060601	1153938	1867734	2242045	100	109	176	211
Installation Charges .	0·0299	0·0307	0·0387	0·0406	100	113	129	136	0·2736	0·2446	0·2608	0·2750	100	89	95	101
Distribution Charges .	0·0628	0·0648	0·1217	0·1251	100	103	194	199	0·1568	0·1626	0·2526	0·2438	100	104	161	155
Administration Charges .	0·0508	0·0564	0·0724	0·0738	100	111	143	145	0·2640	0·2440	0·3107	0·3041	100	92	118	115
Depreciation Charges .	0·0041	0·0088	0·0222	0·0286	100	215	541	698	0·0272	0·0320	0·0320	0·0339	100	118	118	125
TOTAL	0·1476	0·1607	0·2550	0·2681	100	109	173	182	0·7216	0·6832	0·8561	0·8568	100	95	119	119

Burmah-Shell—	(3) *Aviation Spirit*								(4) *Aviation Turbine Fuel*							
Quantity sold (gallons) .	10,018,972	17,002,019	21,287,533	20,108,928	100	170	212	201	..	1310506	5540485	14824077	..	100	423	1131
Installation Charges .	0·0391	0·0363	0·0573	0·0582	100	93	147	149	..	0·0248	0·0258	0·0275	..	100	104	111
Distribution Charges .	0·2204	0·1338	0·1659	0·1867	100	61	75	85	..	0·0024	0·0787	0·0489	..	100	3279	2088
Administration Charges .	0·1160	0·0806	0·1056	0·1096	100	69	91	94	..	0·0316	0·0425	0·0417	..	100	134	132
Rent/hire on facilities .	0·0892	0·0636	0·0566	0·0683	100	79	71	85	..	0·0049	0·0328	0·0196	..	100	669	400
Depreciation .	0·0131	0·0140	0·0241	0·0297	100	107	184	227	..	0·0011	0·0144	0·0084	..	100	1309	764
Total with rent/hire . .	0·4557	0·3143	0·3854	0·4228	100	69	85	98	..	0·0637	0·1798	0·1377	..	100	282	216
Total with depreciation .	0·3886	0·2647	0·3529	0·3842	100	68	91	99	..	0·0599	0·1614	0·1265	..	100	269	211
Stanvac Sales Quantities in IG .	4,301,090	6,186,568	8,247,890	7,550,725	100	144	192	176	..	680003	2918160	3765685	..	100	4291	5538
Terminal Charges . .	0·0207	0·0297	0·0465	0·0586	100	143	225	283	..	..	0·0150	0·0210	..	..	100	140
Distribution Charges .	0·1738	0·1605	0·1406	0·1937	100	92	81	111	..	0·0931	0·0301	0·0166	..	100	32	18
Administration Charges .	0·1098	0·1095	0·1044	0·1053	100	100	95	96	..	0·0361	0·1030	0·1043	..	100	285	289
Depreciation & Amortisation	0·0132	0·0158	0·0256	0·0380	100	120	194	288	..	0·0067	0·0073	0·0079	..	100	109	118
TOTAL .	0·3175	0·3155	0·3171	0·3956	100	99	100	124	..	0·1359	0·1554	0·1498	..	100	114	110
Caltex— Sales Quantity I.G. . .	987,979	513,104	825,847	583,539	100	52	84	59	..	..	682072	1341025	..	..	100	197
Terminal Operating Exp. .	0·0345	0·0356	0·0063	0·0131	100	103	18	38	..	..	0·0318	0·0378	..	..	100	119
Station Operating Exp. .	0·2276	0·0841	0·0657	(—) 0·0009	100	37	29	..	..	..	0·0274	0·0345	..	..	100	120
Overhead Exp.	0·2874	0·1173	0·0928	0·0112	100	41	32	4	..	..	0·0697	0·0750	..	..	100	108
Depreciation .	0·0349	0·0118	0·0224	0·0024	100	34	64	7	..	..	0·0164	0·0198	..	..	100	121
TOTAL .	0·5844	0·2488	0·1872	0·0258	100	42	32	4	..	..	0·1453	0·1671	..	..	100	115

STATEMENT No. 2—(*Contd.*)

	Unit Costs				Percentage				Unit Costs				Percentages			
	1948	1951	1956	1957	1948	1951	1956	1957	1948	1951	1956	1957	1948	1951	1956	1957
Burmah Shell—	(5) *High Speed Diesel Oil* (Gallons)								(6) *Vapourising Oil* (Gallons)							
Quantity sold .	9936994	41884327	33777826	95311619	100	421	813	959	2008610	7648626	8921618	7705143	100	381	444	384
Installation charges .	0·0510	0·0296	0·0332	0·0330	100	58	65	65	0·0578	0·0447	0·0577	0·0758	100	77	100	131
Distribution Charges .	0·0159	0·0169	0·0741	0·0884	100	106	466	556	0·0288	0·0228	0·0511	0·0490	100	79	177	170
Administration Charges	0·0579	0·0417	0·0667	0·0772	100	72	115	133	0·0770	0·0559	0·0751	0·0796	100	73	98	103
Rent/hire on facilities	0·0217	0·0157	0·0413	0·0437	100	72	190	201	0·0234	0·0222	0·0261	0·0301	100	95	111	129
Depreciation . .	0·0036	0·0035	0·0170	0·0186	100	97	472	517	0·0038	0·0049	0·0089	0·0105	100	129	234	276
Total with rent/hire on facilities .	0·1465	0·1039	0·2153	0·2423	100	71	147	165	0·1870	0·1456	0·2100	0·2345	100	78	112	125
Total with depreciation . . .	0·1284	0·0917	0·1910	0·2172	100	71	149	169	0·1674	0·1283	0·1928	0·2149	100	77	115	128
Stanvac—																
Sales Quantities .	5205364	19490836	33747735	45066070	100	374	648	866	275848	2028979	3129350	2718275	100	736	1134	985
Terminal Charges .	0·0237	0·0118	0·0289	0·0264	100	50	122	111	0·0791	0·0351	0·0485	0·0342	100	44	61	43
Distribution Charges	0·0254	0·0088	0·0831	0·0911	100	35	327	359	0·0702	0·0498	0·0508	0·0449	100	71	72	64
Administration charges	0·0482	0·0071	0·1033	0·1039	100	115	214	216	0·1629	0·1111	0·1043	0·1051	100	68	64	65
Depreciation and Amortization . . .	0·0039	0·0021	0·0259	0·0336	100	54	664	862	0·0119	0·0077	0·0118	0·0138	100	65	99	116
TOTAL .	0·1012	0·0298	0·2412	0·2550	100	29	238	252	0·3241	0·2037	0·2154	0·1980	100	63	66	61
Caltex—																
Sales Quantity	13414413	21725959	40064763	53861200	100	162	299	402	538719	1148812	2414801	2378797	100	213	448	442
Terminal Opg. Expenses . . .	0·0140	0·0104	0·0266	0·0341	100	74	190	243	0·0495	0·0200	0·0538	0·0927	100	40	109	187
Station Opg. Expenses .	0·0131	0·0204	0·0510	0·0509	100	156	389	388	0·0643	0·0546	0·0331	(—) 0·0028	100	85	51	—4
Overheads Expenses .	0·0280	0·0341	0·0915	0·0905	100	122	327	323	0·1209	0·1287	0·0962	0·0740	100	106	80	61
Depreciation . .	0·0040	0·0031	0·0227	0·0414	100	77	567	1035	0·0162	0·0078	0·0235	0·0180	100	48	145	111
TOTAL .	0·0591	0·0680	0·1918	0·2169	100	115	325	367	0·2509	0·2111	0·2066	0·1819	100	84	82	72

I.B.P.—

High Speed Diesel Oil

Quantity sold 1 I.G.	197014	455576	798655	1547837	100	231	405	786
Installation Charges	0·0256	0·0312	0·0484	0·0410	100	122	189	160
Distribution Charges	0·0225	0·0198	0·0789	0·0833	100	88	351	370
Administration Charges	0·0336	0·0293	0·0468	0·0483	100	87	139	144
Depreciation Charges	0·0019	0·0024	0·0265	0·0208	100	126	1395	1095
TOTAL	0·0836	0·0827	0·2006	0·1934	100	99	240	231

Burmah-Shell—

(7) *Furnance Oil (Tons)*

Quantity sold	325136·4	396147·6	414129	452836	100	122	127	139
Installation Charges	2·4507	2·2890	3·7235	3·2373	100	93	152	132
Distribution Charges	1·3823	1·4235	2·8463	2·9670	100	103	206	215
Administration Charges	4·4442	3·8461	5·9255	5·9507	100	87	133	134
Rent/hire on facilities	2·0896	2·7542	1·8046	1·6306	100	132	86	78
Depreciation	0·3413	0·6078	0·7363	0·0664	100	178	216	19
Total with rent/hire	10·3668	10·3128	14·2999	13·7856	100	99	138	133
Total with depreciation	8·6185	8·1664	13·2316	12·2214	100	95	153	142

(8) *Light and Marine Diesel Oil (Tons)*

Quantity sold	166068	254252·5	257037	266075	100	153	155	160
Installation Charges	4·9555	4·2707	8·7555	8·3690	100	86	177	169
Distribution Charges	2·8732	2·2384	5·9718	4·8655	100	78	208	169
Administration Charges	9·3911	8·4720	13·1747	13·9741	100	90	140	149
Rent/hire on facilities	4·4744	3·5152	4·9172	4·3130	100	79	110	96
Depreciation	0·7309	0·7758	1·5137	1·6291	100	106	207	223
Total with rent/hire	21·6942	18·4963	32·8192	31·5216	100	85	151	145
Total with depreciation	17·9507	15·7569	29·4157	28·8377	100	88	164	161

Stanvac—

Sales Quantities	191135	180783	241374	368725	100	95	126	193
Terminal Charges	2·4349	2·8880	2·2949	1·2487	100	119	94	51
Distribution Charges	1·1013	1·0685	4·0959	2·9647	100	97	372	269
Administration Charges	1·3872	1·5395	1·2815	1·0382	100	111	92	75
Depreciation and Amortization	0·3110	0·4074	1·2741	1·0055	100	131	410	323
TOTAL	5·2344	5·9034	8·9464	6·2571	100	113	171	120

Sales Quantities	76449	95511	96431	108698	100	125	126	142
Terminal Charges	4·4889	3·3886	2·3340	3·4719	100	75	52	77
Distribution Charges	8·2538	3·0134	2·3744	3·8275	100	37	29	46
Administration Charges	5·5093	1·8553	1·6990	1·3213	100	34	31	24
Depreciation and Amortization	1·0487	0·6415	0·6631	0·9620	100	61	63	92
TOTAL	10·3007	8·8988	7·0705	9·5827	100	46	37	50

STATEMENT NO. 2—(*Contd.*)

	Unit Cost				Percentage				Unit Cost				Percentage			
	1948	1951	1956	1957	1948	1951	1956	1957	1948	1951	1956	1957	1948	1951	1956	1957
Caltex—																
Sales quantity	59512·18	60692·13	71411·54	155295·49	100	102	120	261								
Terminal Operating Expenses .	3·5746	3·1751	7·1009	4·1242	100	89	199	115								
Station Operating Expenses .	1·6893	1·7822	2·7598	1·6462	100	105	163	97								
Overheads . .	4·9648	4·3167	9·5082	5·2048	100	87	191	105								
Depreciation . .	0·7885	0·4896	2·3437	1·4102	100	62	293	179								
TOTAL .	11·0172	9·7636	21·7126	12·3854	100	89	197	112								
I.B.P.—																
Quantity sold I.G. .									..	31	21·4	151	..	100	69	487
Installation Charges .									..	1·6129	3·8318	0·9272	..	100	238	57
Distribution Charges .									..	0·8387	11·8224	5·4437	..	100	1409	649
Administration Charges									..	5·8387	10·1402	9·9006	..	100	174	170
Depreciation Charges .									..	0·1935	0·4206	0·2914	..	100	217	151
TOTAL .									..	8·4838	26·2150	16·5629	..	100	309	195
Burmah-Shell—	(9) *Bitumen including compounds* (*Tons*)								(10) *Lubricating Oils* (Gallons)							
Quantity sold . .	31638·26	37361·4	155257·3	162121·5	100	118	491	512	8549601	12509686	15188972	18022606	100	146	178	211
Installation Charges .	16·0484	17·5479	15·8181	16·4623	100	109	99	102	0·1158	0·1111	0·2175	0·1845	100	96	187	159
Distribution Charges .	1·8689	2·9883	2·3970	3·0249	100	160	128	161	0·0330	0·0712	0·0713	0·0709	100	216	216	215
Administration Charges	22·4082	13·3934	13·2498	13·5091	100	60	59	60	0·1174	0·1393	0·1305	0·1396	100	118	111	118
Rent/Hire on facilities .	2·7041	2·4938	1·5073	1·6796	100	92	56	62	0·0476	0·0457	0·0534	0·0655	100	96	112	138
Depreciation . .	0·4408	0·5491	0·5428	0·6077	100	125	123	138	0·0078	0·0101	0·0172	0·0232	100	129	221	297
Total with rent/hire .	43·0296	36·4234	32·9722	34·6759	100	85	77	81	0·3128	0·3673	0·4727	0·4605	100	117	161	147
Total with Depreciation	40·7663	34·4787	32·0077	33·6040	100	85	79	82	0·2740	0·3317	0·4365	0·4182	100	121	169	153

Stanvac —																
Sales Quantities	8·586	10·761	56·546	35·603	100	125	659	415	11030359	10726013	11143965	12329170	100	97	101	112
Terminal Charges	5·2479	2·8075	3·4429	5·0457	100	53	66	96	0·0554	0·0572	0·0772	0·0435	100	103	139	79
Distribution Charges	4·8428	2·4223	10·3883	16·2759	100	50	215	336	0·0661	0·0942	0·0802	0·1456	100	143	121	220
Administration Charges	10·4451	0·5137	23·1606	23·2210	100	49	222	222	0·2345	0·1094	0·1623	0·1076	100	47	69.	46
Depreciation and Amortization	0·7282	0·4216	1·3358	1·5822	100	58	183	217	0·0088	0·0111	0·0218	0·0142	100	120	258	185
TOTAL	21·2640	6·1651	38·3276	46·1248	100	29	180	217	0·3646	0·2719	0·3415	0·3109	100	75	34	85
Caltex—																
Sales Quantity (Tons)	5977·0646	12663·7679	51042·8515	3866 02776	100	212	854	847	3540640	4041309	7834332	7538381	100	114	221	213
Terminal Charges	8·9907	6·1525	6·5464	8·5330	100	68	73	95	0·0448	0·0356	0·0089	0·0134	100	79	20	30
Station Operating Expenses	7·5806	7·7653	8·3602	6·0451	100	102	84	80	0·0578	0·0734	0·0495	0·0465	100	127	86	80
Overheads Expenses	0·9114	10·8541	14·3684	16·5578	100	1191	1577	1817	0·1359	0·1714	0·1852	0·1250	100	126	99	92
Depreciation	2·2657	1·3642	3·5835	3·8800	100	60	158	171	0·0149	0·0112	0·8163	0·0200	100	75	109	134
TOTAL	19·7484	26·1761	30·8585	35·0159	100	133	156	177	0·2534	0·2916	0·2099	0·2049	100	115	83	81

STATEMENT NO. 3-A

BURMAH-SHELL OIL STORAGE AND DISTRIBUTING CO., INDIA LTD.

Statement showing the trend of marketing and distribution expenses under functions/elements of costs for the years 1948, 51, 56 *and* 57.

Details	Total Amounts				Unit Costs				Percentage increase over 1948		Percentage increase over 1951	
	1948	1951	1956	1957	1948	1951	1956	1957	1956	1957	1956	1957
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Percent	Percent	Percent	Percent
Total All-India Sales	330662542	575855587	749132739	805460005								
A.—Importing and Installation Charges.												
1. *Bulk Receiving*												
(*a*) Maintenance		3,36,933	1,43,902	1,03,821		0·0006	0·0002	0·0001				
(*b*) Power		1,19,402	15,495	10,382		0·0002	..	..				
(*c*) Launches and Barges		1,40,675	23,980	15,088		0·0002	..	..				
(*d*) Wharfage Harbour Charges		81,75,940	1,39,00,266	1,59,24,041		0·0143	0·0186	0·0198				
(*e*) Other Expenses		21,55,131	21,69,310	23,45,754		0·0037	0·0029	0·0029				
(*f*) Adjustments with other Cost.		1,13,68,462	(—)28,344	(—)36,254		0·0006	(—)0·0002	..				
TOTAL	*	1,12,96,543	1,61,24,609	1,83,62,832	*	0·0196	0·0215	0·0023	..	..	10	13
2. *Packed Receiving*												
(*a*) Maintenance (—)Storing.		77,075	..	..		0·0001						
(*b*) Wharfage and Harbour Charges		1,29,334	8,80,561	8,89,176		0·0002	0·0012	0·0011				
(*c*) Other expenses		10,21,306	14,07,208	15,18,881		0·0018	0·0018	0·0019				
(*d*) Credits		(—)10,953	(—)10,540	(—)14,531		..	..	..				
TOTAL	*	12,16,782	22,77,229	23,93,526	*	0·0021	0·0030	0·0030	..	..	43	43
Total Receiving (1+2)	53,08,581	1,25,13,325	1,84,01,838	2,07,56,358	0·0161	0·0217	0·0245	0·0253	52	60	13	19
3. *Bulk Storing*												
(*a*) Maintenance		Included under Bulk receiving	9,40,440	4,00,695			0·0013	0·0005				
(*b*) Power			1,34,614	1,25,635			0·0002	0·0002				
(*c*) Other expenses			23,39,176	24,18,687			0·0030	0·0029				
(*d*) Credits			(—)1,02,209	—38,884			0·0001	..				
TOTAL	*		33,12,021	29,06,133			0·0044	0·0036	..	..	..	..

4. *Packed Storing*												
(*a*) Maintenance		Included under Packed receiving	71,181	79,316			0·0001	0·0001				
(*b*) Other Expenses			13,96,344	14,77,677			0·0018	0·0018				
(*c*) Credits			(—)30,838	(—)40,796			..					
TOTAL	*		14,36,687	15,16,197	*		0·0019	0·0019				
TOTAL Storing (3+4)	25,74,073		47,48,708	44,22,330	0·0078	..	0·0063	0·0055	(—)19	(—)29	..	..
5. *Bulk Loading*												
(*a*) Maintenance		2,39,652	2,57,764	1,09,646		0·0004	0·0003	0·0001				
(*b*) Power		1,07,805	2,77,619	2,53,316		0·0002	0·0004	0·0003				
(*c*) Other Expenses		4,65,472	15,13,336	16,38,524		0·0008	0·0021	0·0021				
(*d*) Adjustments		(—)1,06,149	(—)42,023	(—)94,647		(—)0·0002	(—)0·0001	(—)0·0001				
TOTAL	*	7,06,780	20,06,696	19,06,839	*	0·0012	0·0027	0·0024	..	..	125	100
6. *Packed Loading*												
(*a*) Maintenance		18,146	35,316	25,627		..	..	..				
(*b*) Other Expenses		23,03,784	31,55,299	34,21,239		0·0040	0·0043	0·0043				
(*c*) Adjustments		(—)13,294	(—)3,569	(—)13,212								
TOTAL	*	23,08,636	31,87,046	34,93,654	*	0·0040	0·0043	0·0043				
Total Loading (5+6)	17,31,967	30,15,416	51,93,742	54,06,492	0·0052	0·0052	0·0070	0·0067	35	29		
7. *Packed filling reconditioning* (other than 4 & 2 I.G. tins)												
(*a*) Maintenance		44,041	55,313	95,240		0·0001	0·0001	0·0001				
(*b*) Power		22,155	43,030	39,124		..	0·0001	..				
(*c*) Other Expenses		14,16,487	47,10,747	44,99,026		0·0025	0·0062	0·0056				
(*d*) Adjustments		..	50,846	(—)35,728			0·0001	..				
TOTAL	*	14,82,683	48,59,941	45,97,612	*	0·0026	0·0065	0·0057	..	..	150	119
8. 4. *I.G./2 I.G. Tins filling*												
(*a*) Stores & Products		1,44,293	64,478	70,081		0·0003	0·0001	0·0001				
(*b*) Labour & Supervision		11,62,735	10,76,137	10,17,724		0·0020	0·0014	0·0013				
(*c*) Filling Shed Maintenance		37,379	39,204	75,127		0·0001	..	0·0001				
(*d*) Power		29,890	50,644	39,751		..	0·0001	..				
(*e*) Other Expenses		77,072	68,314	94,312		0·0001	0·0001	0·0001				
(*f*) Adjustments		..	77	..								
TOTAL	*	14,51,369	12,98,854	12,96,995		0·0025	0·0017	0·0016	..	..	(—)32	(—)36

*Details not available.

STATEMENT No. 3-A.—(*Contd.*)

Details	Amounts				Unit Costs				Percentage of increase over 1948		Percentage of increase over 1951	
	1948	1951	1956	1957	1948	1951	1956	1957	1956	1957	1956	1957
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	%	%	%	%
9. 2 *I.G. M.S. Can reconditioning*												
(*a*) Stores & Products	..	2,57,715	67,299	52,918		0·0004	0·0001	0·0001				
(*b*) Labour & Supervision	..	1,87,080	1,19,343	1,07,210	..	0·0003	0·0002	0·0001	..	..	..	..
(*c*) Reconditioning Shed Maintenance	*	4,504	2,820	1,072	*	..	..	..	..	..	..	..
(*d*) Power	..	11,121	14,233	14,817	..	0·0001	..	..	..	..	..	..
(*e*) Other Expenses	..	3,790	894	7,175	..	..	..	..	..	..	..	..
(*f*) Adjustments	..	..	..	..								
TOTAL	*	4,64,219	2,04,589	1,83,192	*	0·0008	0·0003	0·0002	..	..	(—) 62	(—) 78
Total Filling & reconditioning (7+8+9)	17,12,564	33,98,271	68,63,384	60,77,849	0·0052	0·0059	0·0085	0·0075	63	44	44	27
10. Barrel Storage Allowance	..	..	4,12,950	5,57,180	..	..	0·0006	0·0007	..	..	..	..
11. Less or Sale of Packages	..	..	9,907	14,158	..	..	..	..	..	..	..	..
12. Cost of Non-returnable package Sales	1,29,71,392	4,19,21,258	4,17,80,898	4,34,60,822	0·0392	0·0778	0·0558	0·0540	42	38	(—) 23	(—) 26
13. *Installation General Charges*												
Labour Office Administration	..	..	2,02,534	1,84,140	..	..	0·0003	0·0002	..	..	..	..
Executive Staff	..	..	7,60,225	7,83,683	..	..	0·0010	0·0010	..	..	..	..
Other General Staff Salaries	..	..	55,20,300	62,40,235	..	..	0·0074	0·0077	..	..	..	..
Office General Expenses	..	..	7,38,240	7,04,655	..	..	0·0010	0·0009	..	..	..	..
Executive Staff Quarters Revenue	..	..	1,03,980	53,876	..	..	0·0001	0·0001	..	..	..	..
Labour	..	..	6,19,431	7,49,983	..	..	0·0008	0·0009	..	..	..	..
Stores	..	..	2,91,754	2,53,571	..	..	0·0004	0·0003	..	..	..	..
Maintenance	..	..	8,49,877	4,66,172	..	..	0·0011	0·0006	..	..	..	..
Power	*	*	2,10,935	2,22,732	*	*	0·0003	0·0003	..	..	..	..
Launches & Barges	..	..	2,19,087	2,70,590	..	..	0·0003	0·0003	..	..	..	..
Cars & Lorries etc.	..	..	2,64,143	2,94,916	..	..	0·0004	0·0004	..	..	..	..
Rent & Taxes	..	..	8,13,098	9,32,537	..	..	0·0011	0·0012	..	..	..	..
Service Employees Clothing and Laundering	..	..	1,45,782	1,75,509	..	..	0·0002	0·0002	..	..	..	..
Sundries	..	..	9,04,345	9,76,660	..	..	0·0012	0·0012	..	..	..	..

Adjustment with other Cost.	..	..	(—)10,83,619	(—)11,95,601	..	..	(—)0·0014	(—)0·0015	..	..	..	..
Bonus-Staff & workers	..	..	22,75,847	22,14,152	..	..	0·0029	0·0027	..	..	..	..
Sundry Adjustments	..	..	4,25,730	3,50,435	..	..	0·0006	0·0004	..	..	..	..
Workshop	..	..	2,43,766	2,12,739	..	..	0·0003	0·0003	..	..	..	..
Staff & Labour Welfare	..	..	6,86,707	7,19,023	..	..	0·0009	0·0009	..	..	..	..
TOTAL	44,07,148	88,67,104	1,41,92,162	1,46,10,007	0·0133	0·0154	0·0189	0·081	42	36	23	18
Total 'A' (1 to 13)	22,87,05,785	6,97,15,374	9,11,03,589	9,52,99,197	0·0862	0·1200	0·1216	0·1188	40	36	..	(—) 2
B. 1. *Distribution Charges*												
(*a*) *From installation* :												
By Co's bulk lorries	..	11,01,723	17,42,310	20,06,341	..	0·0020	0·0023	0·0025	..	..	..	..
„ „ Packed	..	3,08,227	4,06,649	3,41,705	@	0·0005	0·0005	0·0004	..	..	..	..
„ „ Tank carts	*	75,091	71,557	93,374	..	0·0001	0·0001	0·0001	..	..	..	..
„ „ Agents etc.	..	2,25,562	8,79,667	7,78,202	..	0·0004	0·0012	0·0010	..	..	..	..
„ Hired lorries	..	..	5,82,668	9,13,859	..	..	0·0008	0·0011	..	..	..	..
Adjustments	..	..	..	..	..	..	..	..	..	..	..	..
TOTAL	8,55,908	17,10,603	36,82,851	41,33,481	0·0026	0·0030	0·0049	0·0051	88	96	63	70
(*b*) *From Depots* :												
By Co's lorries	..	19,49,536	37,13,787	40,62,190	..	0·0034	0·0049	0·0050	..	..	..	..
„ „ Tank carts	..	3,53,521	2,15,977	2,19,194	..	0·0006	0·0003	0·0003	..	..	..	..
„ „ Agents etc.	*	8,54,176	11,26,124	9,48,116	@	0·0015	0·0015	0·0012	..	..	..	..
„ Hired lorries	..	..	17,06,645	34,09,792	..	..	0·0023	0·0042	..	..	..	..
Adjustments	..	..	..	..	..	..	..	..	..	..	..	..
TOTAL	20,63,884	31,57,233	67,62,533	86,39,292	0·0062	0·0055	0·0090	0·0107	45	73	64	95
2. *Boat & rail freight*												
(*a*) Co's launches & barges	4,22,789	2,06,239	5,96,326	5,82,262	0·0013	0·0004	0·0008	0·0007	..	..	..	..
(*b*) Outside transport	2,45,35,473	5,82,95,904	7,22,92,891	7,86,95,060	0·0742	0·1012	0·0965	0·0977	..	..	..	..
(*c*) Lorries hired in lieu of Rly.	..	..	59,84,950	85,70,846	..	..	0·0080	0·0106	..	..	..	..
(*d*) Unrecovered freight[Products & packings etc.	1,79,725	12,94,982	37,28,702	37,80,761	0·0005	0·0022	0·0050	0·0048	..	..	..	..
TOTAL	2,51,37,987	5,97,97,125	8,26,02,869	9,16,28,929	0·0760	0·1038	0·1103	0·1138	45	50	6	10
3. Carrier barrels	..	..	5,58,707	58,487	..	..	0·0007	0·0001	..	..	..	..
4. Hire Charges-packages,	..	(—)90,509	(—)12,985	(—)31,503	..	(—)0·0002	..	..	..	..	..	..

*Details not available.
@Details not available.

STATEMENT NO. 3-A—(*Contd.*)

Details	Total Amounts				Unit Costs				Percentage of increase over 1948		Percentage of increase over 1951	
	1948	1951	1956	1957	1948	1951	1956	1957	1956	1957	1956	1957
5. *Depot Expenses*												
(*a*) Operation		22,39,905	39,00,716	40,10,312		0·0040	0·0052	0·0050				
(*b*) Transhipment		78,868	68,386	1,15,807		0·0001	0·0001	0·0001				
(*c*) Maintenance	*	6,43,107	4,20,590	2,45,050		0·0011	0·0006	0·0003				
(*d*) Account other Cos.—Depot operation		—6,17,841	—1,13,999	—1,01,797		—0·0011	—0·0002	—0·0001				
(*e*) Account Other Cos.—Rent/Hire												
TOTAL	52,70,750	22,44,039	42,75,693	42,69,372	0·0159	0·0041	0·0057	0·0053	—64	—67	39	29
6. Hired Storage	3,37,575	5,44,560	11,83,025	13,16,505	0·0010	0·0009	0·0016	0·0016	60	60	77	77
7. Packages for bulk storing	..	2,91,319	1,58,739	—94,491	..	0·0005	0·0002	—0·0001	..	..	—60	..
8. *Aerodrome Facilities*												
(*a*) Operation	*	18,19,555	29,62,011	32,29,458	*	0·0032	0·0040	0·0040				
(*b*) Maintenance		58,567	73,683	53,322		0·0001	0·0001	0·0001				
TOTAL	17,69,323	18,78,122	30,35,694	32,82,780	0·0054	0·0033	0·0041	0·0041	—24	—24	24	24
9. Service & Filling Stations	—8,863	96,263	37,24,036	44,10,942	..	0·0002	0·0050	0·0050	..	..	2400	265
10. *Other Pump Outfits*												
(*a*) Pump Out fits		3,33,561	16,24,530	18,54,821		0·0006	0·2222	0·0023				
(*b*) Maintenance	*	..	2,90,842	2,30,076	*	..	0·0004	0·0003				
(*c*) Recoveries		..	—4,90,279	—5,24,461		..	—0·0007	—0·0007				
TOTAL	3,87,721	3,33,561	14,25,093	15,60,436	0·0012	0·0006	0·0019	0·0019	58	58	217	217
11. *Motor Oil Cabs—drum stands etc.*												
(*a*) Cabs & drum stands	*	59,247	2,73,919	2,94,991	*	0·0001	0·0004	0·0004				
(*b*) Maintenance		3,024	36,359	26,922				..				
TOTAL	18,899	62,271	3,10,278	3,21,913	0·0001	0·0001	0·0004	0·0004	300	300	300	300

*Details not available.

Statement No. 3-A—contd.

Details	Total Amounts				Unit Costs				Percentage of increase over 1948		Percentage of increase over 1951	
	1948	1951	1956	1957	1948	1951	1956	1957	1956	1957	1956	1957
12. *Distribution General Charges*												
Engineering Staff Salaries etc.												
Engineering Staff T. A.			7,11,247	11,22,927			0·0009	0·0014				
Depot inspection/relieving Staff			7,29,229	8,22,474			0·0010	0·0010				
Depot Operation			11,48,922	13,47,294			0·0015	0·0017				
Depot Maintenance			79,17,012	93,41,122			0·0106	0·0115				
Staff & Labour Welfare			3,47,178	2,90,908			0·0005	0·0004				
Packing & despatching of stores to depots.			3,57,364	4,02,103			0·0005	0·0005				
Cost of stores and Equipment sent to Agents	*	*	1,35,353	16,244			0·002	..				
Stationery			4,93,001	5,58,246	*		0·0007	0·0007				
Training, Travelling etc.			4,10,391	4,55,663			0·0005	0·0006				
Other Expenses			69,036	82,144			0·0001	0·0001				
Adjustment account with other Companies			3,32,532	2,36,209			0·0004	0·0003				
Divisional Stores			—3,23,338	—3,51,171			—0·0004	—0·0004				
Up-country Lorries			..	2,22,702			..	0·0003				
Bonus			4,125	..			..	..				
Sundry adjustments			7,09,358	9,07,819			0·0009	0·0011				
			1,28,980	1,03,751			0·0002	0·0001				
TOTAL	*	83,04,641	1,31,70,390	1,55,58,431		0·0144	0·0176	0·0193	..	..	22	34
TOTAL B (1 to 12)	3,58,33,184	7,84,29,228	12,08,76,955	13,50,54,583	0·1084	0·1362	0·1614	0.1677	49	55	19	23
C. *Selling and Administration.*												
Special Product Staff												
(*a*) Salaries etc.		2,56,256	4,65,979	6,26,510		0·0005	0·0006	0·0008				
(*b*) Other expenses		1,51,495	1,53,163	1,72,797		0·0003	0·0002	0·0002				
TOTAL	3,23,507	4,07,751	6,19,142	7,99,307	0·0010	0·0008	0·0008	0·0010	—20		..	25
Commission and Allowance												
(*a*) Commission	73,12,691	2,22,05,875	3,31,82,842	3,54,28,274	0·0221	0·0386	0·0443	0·0440				
(*b*) Prompt payment discount	21,16,764	4,17,000	5,12,185	5,21,982	0·0064	0·0007	0·0007	0·0006				
(*c*) Other Allowances	11,27,247	40,52,408	62,75,172	52,68,788	0·034	0·0070	0·0083	0·0066				
TOTAL	1,05,56,702	2,66,75,283	3,99,70,199	4,12,19,044	0·0319	0·0463	0·0533	0·512	67	61	15	11

*Included under Depot Expenses.

Statement No. 3-A—contd.

Details	Total Amount				Unit Costs				Percentage of increase over 1948		Percentage of increase over 1951	
	1948	1951	1955	1957	1948	1951	1956	1957	1956	1957	1956	1957
3. *Local Duties and Taxes*												
(*a*) Specifically recovered		1,35,32,460	2,51,45,636	3,63,32,504		0·0236	0·0336	0·0450				
(*b*) Not specifically recovered		1,10,163	59,398	2,41,407		0·0002	..	0·0003				
TOTAL	68,21,973	1,36,12,623	2,53,05,034	3,65,73,911	0·0206	0·0238	0·0336	0·0453	63	120	41	90
4. Commercial Advertising	26,103	6,55,420	14,24,097	14,90,213	0·0001	0·0011	0·0019	0·0019	1800	1800	73	73
5. Other Charges	1,80,071	3,63,594	20,77,940	7,11,635	0·0005	0·0005	0·0028	0·0009	460	80	460	80
6. *Divisional Office Charges*												
Executive staff salaries etc.			10,15,952	13,51,837			0·0014	0·0017				
Other staff salaries etc.			31,17,395	40,82,234			0·0042	0·0050				
Travelling Expenses												
Hired Cars			3,39,834	6,76,447			0·0004	0·0008				
Staff owned cars allowances			10,35,453	11,06,729			0·0014	0·0014				
Other Expenses			6,98,697	8,02,388	*	*	0·0009	0·0010				
Motor Car Expenses			6,45,014	6,20,333			0·0009	0·0008				
Office General Expenses			13,18,073	12,31,406			0·0017	0·0015				
Training, rent, assistance etc.			74,260	76,545								
Adjustments			—88,633	—83,560			0·0001	0·0001				
Retrenchment Compensation			841				—0·0001	—0·0001				
TOTAL	31,51,954	46,84,111	81,56,086	98,64,359	0·0095	0·0081	0·0109	0·122	14	28	35	51
7. *Office General Charges*												
Executive Staff Salaries			73,05,726	86,45,290			0·0098	0·0107				
Executive Staff Other Expenses			5,43,945	6,39,687			0·0007	0·0008				
Executive Staff Quarters—Revenue			12,76,263	13,40,562			0·0017	0·0017				
Other Staff Salaries	*	*	1,35,59,682	1,50,53,475	*	*	0·0182	0·0187				
Other Staff Welfare Exp.			5,95,379	7,26,957			0·0008	0·0009				
Machine Operators on hire			4,515	5,480			..	..				
Branch Office Staff T.A.			8,35,909	10,72,256			0·0011	0·0013				
Motor Car Expenses			7,71,774	8,40,893			0·0010	0·0010				
Public Relations			6,05,398	4,96,041			0·0008	0·0006				

*Details not available.

Statement No. 3-A—contd.

Office General Charges—(contd.)												
Office General Expenses			53,15,163	58,08,298			0·0072	0·0072				
Training, Travelling etc.			32,519	51,751			..	0·0001				
Recoveries			—96,377	—57,045			—0·0001	—0·0001				
Adjustments			—7,19,863	—6,68,935			—0·0010	—0·0008				
Burmah-Shell Training Centre			1,08,737	1,74,045			0·0001	0·0002				
All India												
Executive Staff Other Exp.			7,03,853	7,35,819			0·0009	0·0009				
Visit to U. K. & other Exp.			24,605	14,525			..	..				
Staff Training Centre at Digboi			9,448	12,080			..	..				
Bombay Public Relations			20,90,296	24,16,660			0·0028	0·0029				
Home Pension Fund	*	*	18,69,913	11,14,885	*	*	0·0025	0·0014				
Indian Pension Fund			21,86,711	25,18,130			0·0029	0·0031				
Supplementary retirement benefit			1,68,487	2,12,859			0·0002	0·0003				
Bonus			14,77,534	16,09,867			0·0020	0·0020				
London Office Expenses			40,84,827	45,88,370			0·0055	0·0057				
Audit Fees			30,760	50, 597				0·0001				
TOTAL	1,57,80,485	2,63,93,408	4,27,85,204	4,74,02,567	0·0477	0·0458	0·0571	0·0589	20	23	25	29
TOTAL—C	3,68,40,805	7,27,62,190	12,02,38,502	13,80,61,037	0·1114	0·1264	0·1604	0·1714	44	54	27	36
Depreciation	17,64,113	35,99,219	94,73,179	1,07,65,812	0·0053	0·0063	0·0126	0·0134	138	153	100	113
GRAND TOTAL (A+B+C+D)	10,31,43,827	22,45,06,011	34,16,92,225	37,91,629	0·3119	0·3899	0·4560	0·4708	46	51	17	21

NOTE : Depreciation at normal income-tax rates has been substituted for rent/hire.

*Details not available.

Statement No. 3-B. I

STANDARD VACUUM OIL COMPANY

Statement showing trend of expenses under elements of cost for the years 1948, 1951, 1956 and 1957

ALL FUNCTIONS—ALL INDIA

Details	Amount				Unit Cost				Percentage			
									Increase over 1948		Increase over 1951	
	1948	1951	1956	1957	1948	1951	1956	1957				
Net sales quantities in IG	17,21,36,001	24,92,31,645	33,33,62,085	38,03,55,745					1956	1957	1956	1957
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	%	%	%	%
1. Salaries & Wages	84,72,438	1,58,68,976	2,48,46,575	2,25,71,659	0·0492	0·0636	0·0744	0·0592	51	21	17	7
2. Contract Payments	4,54,465	10,02,689	14,95,174	18,77,991	0·0026	0·0040	0·0045	0·0049	73	88	13	23
3. Maintenance repairs and Supplies	13,47,742	30,90,498	66,02,838	79,45,224	0·0079	0·0124	0·0198	0·0208	151	163	60	68
4. Taxes (other than income) and Insurance	10,56,550	14,39,824	20,18,147	25,42,772	0·0062	0·0058	0·0061	0·0067	—2	8	5	16
5. Travelling & Motor Car Expenses	13,94,329	16,58,038	36,37,432	44,15,836	0·0082	0·0068	0·0109	0·0116	33	41	60	71
6. Stationery, Postage	6,28,485	7,84,939	14,90,719	16,31,732	0·0036	0·0031	0·0045	0·0042	25	17	45	35
7. Rent	5,97,201	6,11,683	19,29,530	20,86,951	0·0035	0·0025	0·0058	0·0055	66	57	132	128
8. Water, lighting & Fire Protection and Re-conditioning boxes and tins	2,09,631	3,80,434	8,34,778	9,11,661	0·0012	0·0015	0·0025	0·0024	108	100	67	60
9. Legal, medical contribution and memberships	1,40,704	2,21,305	4,24,321	4,13,228	0·0008	0·0009	0·0014	0·0012	75	50	56	33
10. Commission & Guarantee Deposit interest	12,37,815	1,81,805	3,84,392	27,613	0·0072	0·0007	0·0011	0·0001	—85	—99	57	—86
11. Advertising	3,13,517	8,37,352	22,01,538	18,62,639	0·0018	0·0034	0·0066	0·0049	267	172	94	44
12. New York & General Rep. Office Expenses	19,82,363	34,63,473	31,85,438	49,98,175	0·0115	0·0139	0·0096	0·0132	—17	15	—31	—5
13. Delivery Charges	30,65,686	46,09,781	49,72,729	60,24,655	0·0178	0·0185	0·0149	0·0158	—16	—11	—19	—15
14. Sundry Expenses	11,38,426	17,47,185	38,14,137	41,20,156	0·0066	0·0070	0·0114	0·0108	73	64	63	54
15. Depreciation & Amortization	10,05,570	20,22,997	54,38,279	63,39,448	0·0058	0·0081	0·0163	0·0167	181	188	101	106
TOTAL	2,30,45,922	3,79,20,979	6,32,76,322	6,77,69,140	0·1339	0·1522	0·1898	0·1781	42	33	25	17
Less Credits	4,73,197	6,45,137	8,59,336	5,23,023	0·0028	0·0026	0·0026	0·0013	—7	—54	· ·	—50
NET TOTAL	2,25,72,725	3,72,75,842	6,24,16,986	6,72,46,117	0·1311	0·1496	0·1872	0·1768	43	35	25	18

Statement No. 3-B.2

STANDARD VACUUM OIL COMPANY

Statement showing trend of expenses under elements of cost for the years 1948, 1951, 1956 and 1957

FUNCTION : Terminals (including) returnable steel barrel & laboratory

Details	Amount				Unit Cost				Percentages			
	1948	1951	1956	1957	1948	1951	1956	1957	Increase over 1948		Increase over 1951	
Net sales quantity in IG.	17,21,36,001	24,92,31,645	33,38,62,085	38,03,55,745					1956	1957	1956	1957
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	%	%	%	%
1. Salaries & Wages	20,34,942	27,82,043	33,01,443	35,73,650	0·0118	0·0112	0·0098	0·0094				
2. Contract payments	1,84,965	4,74,552	10,81,631	12,73,516	0·0011	0·0019	0·0032	0·0033				
3. Maintenance, Repairs and Supplies	5,56,524	12,66,296	14,23,109	16,22,025	0·0032	0·0051	0·0043	0·0044				
4. Taxes (other than income) and insurance	4,46,858	5,04,387	6,50,585	4,39,267	0·0026	0·0020	0·0020	0·0012	..	..	..	..
5. Travelling and motor car expenses	51,098	1,30,888	1,91,373	1,54,870	0·0003	0·0005	0·0006	0·0004	..	..	..	..
6. Stationery, postage etc.	30,479	40,467	86,661	90,199	0·0002	0·0002	0·0003	0·0002	..	..	..	..
7. Rent	2,62,767	2,53,101	4,87,177	4,59,832	0·0015	0·0010	0·0015	0·0012	..	..	..	..
8. Water, light, heating, fire protection & reconditioning boxes	1,40,978	2,58,520	4,11,804	3,19,001	0·0008	0·0010	0·0012	0·0008	..	..	..	..
9. Legal, medical contributions and membership	29,243	52,378	57,416	63,841	0·0002	0·0002	0·0002	0·0001	..	..	..	..
10. Commission and guaranteed deposit interest	32	38	177	..	..	..	..	..	..	..	..	..
11. Advertising	..	..	..	..	..	..	..	..	..	..	..	..
12. New York & General Rep. Office Expenses	..	..	..	..	..	..	..	..	..	..	..	..
13. Delivery charges	...	..	..	..	..	..	..	..	..	..	..	..
14. Sundry expenses	2,54,997	3,61,843	14,01,191	13,79,473	0·0015	0·0015	0·0042	0·0036	..	..	..	..
15. Depreciation and amortisation	2,19,897	4,35,973	11,24,625	12,85,799	0·0013	0·0018	0·0034	0·0034	..	..	..	..
TOTAL	42,12,780	65,64,431	1,02,22,192	1,06,61,473	0·0245	0·0264	0·0307	0·0280	..	..	..	..
Less Credits	..	..	1,72,324	8,822	..	..	0·0005	..	..	..	..	..
BALANCE	42,12,780	65,64,431	1,00,49,868	1,06,52,651	0·0245	0·0264	0·0302	0·0280				
Less Total depreciation pertaining to the function including item 15.	2,31,419	4,58,818	11,83,556	13,81,457	0·0014	0·0018	0·0036	0·0036	..	..	..	..
NET TOTAL	39,81,361	61,05,613	88,66,312	92,71,194	0·0231	0·0246	0·0266	0·0244	15	6	8	—1

Statement No. 3-B3

STANDARD VACUUM OIL COMPANY

Statement showing trend of Expenses under Elements of cost for the years 1948, 1951, 1956 *and* 1957

FUNCTION : Division Office

	Amount				Unit Cost				Percentages			
Detials	1948	1951	1956	1957	1948	1951	1956	1957	Increase over 1948		Increase over 1951	
Net Sales Quantities in I.G.	17,21,36,001	24,92,31,645	33,33,62,085	38,93,55,745					1956	1957	1956	1957
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	%	%	%	%
1. Salaries & Wages	11,67,449	25,10,272	72,41,880	57,34,268	0·0068	0·0100	0·0217	0·0151	..	..	..	..
2. Contract Payments	..		8,709	32,730	..	..	..	0·0001	..	..	..	..
3. Maintenence, Repairs and Supplies	14,741	15,842	1,60,589	2,56,142	0·0001	0·0001	0·0005	0·0007	..	..	..	..
4. Taxes (Other than Income) and Insurance	11,46,163	5,898	90,369	13,18,642	0·0008	..	0·0003	0·0035	..	..	..	..
5. Travelling & Motor Car expenses	3,01,761	1,52,002	8,77,930	10,34,689	0·0018	0·0006	0·0027	0·0027	..	..	..	..
6. Stationery, Postage etc.	1,54,468	2,20,510	4,80,994	5,80,716	0·0009	0·0009	0·0014	0·0015	..	..	..	..
7. Rent	23,069	16,705	1,96,138	2,72,961	0·0002	0·0001	0·0006	0·0007	..	..	..	..
8. Water, light, heating, Fire protection and Reconditioning Boxes and Tins	2,712	4,215	54,278	60,671	..	..	0·0001	0·0002	..	..	..	..
9. Legal, Medical & contributions to Membership.	5,605	11,739	1,24,542	85,538	..	..	0·0004	0·0002	..	..	..	..
10. Commission & Guarantee Deposit interest	..	..	96	738	..	..	..	..	..	..	..	..
11. Advertising	3,13,517	8,37,352	22,01,533	18,62,039	0·0018	0·0034	0·0066	0·0049	..	..	..	..
12. New York & General Rep. Office expenses	..	..		..	..	..	..	..	..	..	..	..
13. Delivery charges	..	..	..	..	..	..	..	..	..	..	..	..
14. Sundry expenses	2,23,502	1,33,382	8,38,158	14,14,822	0·0013	0·0005	0·0025	0·0037	..	..	..	..
15. Depreciation & Amortisation.	5,624	13,626	2,07,806	2,06,967	..	0·0001	0·0006	0·0005	..	..	..	..
TOTAL	23,58,611	39,21,543	1,24,84,022	1,28,60,923	0·0137	0·0157	0·0374	0·0338	..	..	..	..
Less Credits	4,73,197	6,45,137	5,44,310	4,98,597	0·0027	0·0026	0·0016	0·0013	..	..	..	..
BALANCE	18,85,414	32,76,406	1,19,39,712	1,23,62,326	0·0110	0·0131	0·0358	0·0325	..	..	..	..
Less Total Depreciation pertaining to the function including item 15	5,919	14,340	2,18,695	2,90,533	..	0·0001	0·0007	0·0005	..	..	..	..
NET TOTAL	18,79,495	32,62,066	1,17,21,017	1,21,61,793	0·0110	0·0130	0·0351	0·0320	219	191	170	146

Statement No. 3-B(4)

STANDARD VACUUM OIL COMPANY

Statement showing trend of expenses under elements of cost for the years 1948, 1951, 1956 & 1957.

FUNCTION : *Territory Office.*

Details	Amount				Unit cost				Percentages Increase over 1948		Increase over 1951	
	1948	1951	1956	1957	1948	1951	1956	1957	1956	1957	1956	1957
Net Sales Quantities in IG	17,21,36,001	24,92,31,465	33,33,62,085	38,03,55,745								
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	%	%	%	%
1. Salaries & Wages	39,91,718	83,30,878	99,67,143	81,47,385	0·0232	0·0334	0·0299	0·0214				
2. Contract Payments	727	2,212	65,927	80,391	..	..	0·0002	9·0002				
3. Maintenance, Repairs and Supplies	39,545	1,36,825	2,89,611	4,06,071	0·0002	0·0006	0·0009	0·0011				
4. Taxes (Other than income) & Insurance	2,27,753	4,73,484	6,51,123	1,16,600	0·0013	0·0019	0·0020	0·0003				
5. Travelling & Motor Car expenses	5,05,841	5,80,274	12,38,579	12,82,216	0·0030	0·0023	0·0037	0·0033				
6. Stationery, Postage etc.	4,03,272	4,51,531	7,48,717	7,33,630	0·0023	0·0018	0·0022	0·0019				
7. Rent	83,360	1,40,343	4,96,266	4,16,816	0·0005	0·0006	0·0015	0·0011				
8. Water, light, heating, Fire protection and reconditioning boxes and tins	24,070	36,193	12,562	80,345	0·0001	0·0001	..	0·0002				
9. Legal, Medical and contributions to Membership	1,04,847	1,51,052	2,04,726	2,04,451	0·0006	0·0006	0·0006	0·0005				
10. Commission and guarantee deposit interest	19,495	4,054	23,724	107	0·0001	..	0·0001	..				
11. Advertising	..	..	..	..	..	..	..	..				
12. New York & General Rep. Office expenses	19,83,363	34,63,473	31,85,438	49,98,175	0·0115	0·0139	0·0096	0·0132				
13. Delivery charges	..	..	..	..	..	..	..	..				
14. Sundry Expenses	5,73,300	9,63,120	13,32,613	10,85,687	0·0034	0·0039	0·0040	0·0029				
15. Depreciation & Amortization	29,575	1,22,312	2,04,793	1,90,088	0·0002	0·0005	0·0006	0·0005				
TOTAL	79,77,866	1,48,55,749	1,84,21,162	1,77,41,362	0·0464	0·0596	0·0553	0·0466				
Less Credits	..	..	..	..	..	..	..	..				
BALANCE	79,77,866	1,48,55,749	1,84,21,162	1,77,41,362	0·0464	0·0596	0·0553	0·0466				
Less Total depreciation pertaining to the function including item No. 15	31,125	1,28,721	2,15,524	2,01,703	0·0002	0·0005	0·0006	0·000				
NET TOTAL	79,46,741	1,47,27,028	1,82,05,638	1,75,39,659	0·0462	0·0591	0·0547	0·0461	18	..	(—)7	(—)22

Statement No. 3-B(5)

STANDARD VACUUM OIL COMPANY

Statement showing trend of expenses under elements of cost for the years 1948, 1951, 1956 and 1957.

FUNCTION : *Inland Relay Depots.*

Details	Amount				Unit Cost				Percentages Increase over 1948		Increase over 1951	
	1948	1951	1956	1957	1948	1951	1956	1957	1956	1957	1956	1957
Net Sales Quantities in IG .	17,21,36,001	24,92,31,645	33,33,62,085	38,03,55,745								
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	%	%	%	%
1. Salaries & Wages .	6,07,950	9,96,790	22,81,365	27,74,761	0·0036	0·0040	0·0068	0·0073				
2. Contract Payments . .	2,87,013	5,15,640	3,13,618	3,57,565	0·0015	0·0021	0·0009	0·0010				
3. Maintenance, Repairs and Supplies . . .	1,82,208	4,40,861	14,11,922	16,30,492	0·0011	0·0018	0·0043	0·0044				
4. Taxes (Other than income) & Insurance . . .	1,61,788	3,18,487	3,42,660	3,88,755	0·0009	0·0013	0·0010	0·0010				
5. Travelling & Motor Car .	56,795	79,066	1,59,051	1,78,376	0·0003	0·0003	0·0005	0·0005				
6. Stationery, Postage etc. .	34,451	52,026	1,48,182	1,83,325	0·0002	0·0002	0·0004	0·0005				
7. Rent	2,15,040	2,92,808	7,08,998	8,25,506	0·0012	0·0012	0·0022	0·0022				
8. Water, light, heating, Fire Protection & reconditioning boxes and tins . .	24,005	54,618	79,296	75,494	0·0001	0·0002	0·0002	0·0001				
9. Legal, Medical and Contributions to Membership . .	664	3,576	28,437	45,354	..	..	0·0001	0·0001				
10. Commission & Guarantee deposit interest . .	11,41,437	13,020	3,59,873	26,239	0·0067	0·0001	0·0011	0·0001				
11. Advertising . . .	..	..	..	..	..	..	..	..				
12. New York & General Rep. Office expenses . . .	..	..	..	..	..	..	..	..				
13. Delivery charges . .	..	..	..	..	..	..	..	..				
14. Sundry Expenses . .	38,019	2,12,109	1,45,132	1,26,079	0·0002	0·0009	0·0004	0·0003				
15. Depreciation & Amortization	1,12,435	1,82,987	8,58,575	9,68,056	0·0007	0·0007	0·0026	0·0025				
TOTAL .	28,31,805	31,61,988	68,37,109	75,89,002	0·0165	0·0128	0·0205	0·0200				
Less credits . . .	..	..	74,438	..	..	..	0·0002	..				
BALANCE .	28,31,805	31,61,988	67,62,671	75,89,002	0·0165	0·0128	0·0203	0·0200				
Less Total Depreciation pertaining to the function including item No. 15 . . .	1,18,326	1,92,576	9,03,564	9,66,632	.. 0·0007	.. 0·0008	.. 0·0027	.. 0·0026				
NET TOTAL .	27,13,479	29,69,412	58,59,107	66,22,370	0·0158	0·0120	0·0176	0·0174	11	10	47	45

STATEMENT No. 3-B 6

STANDARD VACUUM OIL COMPANY

Statement showing trend of expenses under Elements of Cost for the years 1948, 1951, 1956 *and* 1957.

Function : RETAIL Pump Outlets

Details	Amount				Unit cost				Percentage			
									Increase over		Increase over	
	1948	1951	1956	1957	1948	1951	1956	1957	1946	1957	1956	1957
Net Sales quantities in I.G.	17,21,36,001	24,92,21,545	33,33,62,085	38,03,55,745								
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	%	%	%	%
1. Salaries and Wages	3,105	..	..	..	..	..	..	..				
2. Contract Payments	..	..	962	6,057	..	..	..	..				
3. Maintenance Repairs and Supplies	5,03,687	11,62,442	30,76,958	37,68,741	0·0030	0·0046	0·0092	0·0100				
4. Taxes (Other than Income) and Insurance	37,101	1,07,239	2,45,305	2,66,192	0·0002	0·0004	0·0007	0·0007				
5. Travelling and Motor Car expenses	6,819	16,083	33,127	40,880	..	0·0001	0·0001	0·0001				
6. Stationery, Postage etc.	23	561	..	1,550	..	..	..	..				
7. Rent	(—) 5,896	(—) 1,38,637	(—) 16,342	52,911	..	(—)0·0005	..	0·0001				
8. Water, light, heating, Fire protection and reconditioning boxes and tins	13,426	21,308	2,61,452	3,47,347	0·0001	0·0001	0·0008	0·0009				
9. Legal, Medical and contributions to Membership	..	53	1,485	6,118	..	..	..	..				
10. Commission and Guarantee Deposit interest	..	..	..	346	..	..	..	..				
11. Advertising	..	..	..	..	..	..	..	..				
12. New York and Gen. Rep. Office expenses	..	..	..	..	..	..	..	..				
13. Delivery charges	..	..	..	..	..	..	..	..				
14. Sundry expenses	21,494	34,337	15,955	4,120	0·0001	0·0001	..	..				
15. Depreciation and Amortisation	91,821	4,16,061	19,22,263	21,68,694	0·0005	0·0017	0·0058	0·0057				
TOTAL	6,71,580	16,19,447	55,41,165	66,62,965	0·0039	0·0065	0·1660	0·0175				
Less Credits :—	..	..	..	..	..	..	..	..				
Balance	6,71,580	16,19,447	55,41,165	66,62,965	0·0039	0·0065	0·0166	0·0175				
Less Total Depreciation pertaining to the functions including Item No. 15	96,632	4,37,863	20,22,990	21,68,873	0·0006	0·0018	0·0061	0·0057				
NET TOTAL	5,74,948	11,81,584	35,18,175	44,94,092	0·0033	0·00047	0·0105	0·0118	218	258	123	151

STATEMENT No. 3-B 7

STANDARD VACUUM OIL COMPANY

Statement showing trend of expenses under elements of cost for the years 1948, 1951, 1956 and 1957.

Function : Sales-Men.

Details	Amount				Unit Cost				Percentage			
									Increase over 1948		Increase over 1951	
	1948	1951	1956	1957	1948	1951	1956	1957	1956	1957	1956	1957
Net Sales Quantities in I. G.	17,21,36,001	24,92,31,645	33,33,62,085	38,03,55,745								
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	%	%	%	%
1. Salaries and wages	3,30,917	7,34,055	15,16,723	17,27,292	0·0019	0·0029	0·0045	0·0045				
2. Contract payments	..	..	556	23,961	..	..	..	0·0001				
3. Maintenance, Repairs and Supplies	7	227	651	1,533	..	..	..	..				
4. Taxes (other than Income) and Insurance	4,073	304	4,459	..	..	.	..	..				
5. Travelling and Motor Car expenses	4,44,357	6,64,211	12,18,769	16,24,831	0·0026	0·0027	0·0037	0·0043				
6. Stationery, Postage, etc.	2	25	48	586	..	..	..	..				
7. Rent	..	..	..	..	..	..	..	..				
8. Water, light heating and Fire protection and reconditioning boxes and tins	..	..	..	..	..	..	..	..				
9. Legal, Medical and Contributions to Membership	..	66	1,269	438	..	..	..	..				
10. Commission and Guarantee Deposit Interest	85,851	1,64,693	..	..	0·0005	0·0007	..	..				
11. Advertising	..	..	..	..	..	..	..	..				
12. New York and Gen. Reps. Office Expenses	..	..	..	..	..	..	..	..				
13. Delivery charges	..	..	..	..	..	..	..	..				
14. Sundry Expenses	149	500	111	380	..	..	..	..				
15. Depreciation and Amortisation	...	..	..	..	..	..	..	..				
TOTAL	8,65,356	15,64,081	27,42,586	33,79,021	0·0050	0·0063	0·0082	0·0089				
Less Credits	..	..	..	..								
BALANCE	78,65,356	15,64,081	27,42,586	33,79,021	0·0050	0·0063	0·0082	0·0089				
Less Total Depreciation pertaining to the function including item No. 15	..	..	..	..	..	..	..	..				
NET TOTAL	8,65,356	15,64,081	27,42,586	33,79,021	0·0050	0·0063	0·0082	0·0089	64	78	30	41

STATEMENT No. 3-B 8

STANDARD VACUUM OIL COMPANY

Statement showing trend of expenses under elements of cost for the years 1948, 1951, 1956 *and* 1957.

Function : District Office

Details	Amount				Unit Cost				Percentage			
									Increase over 1948		Increase over 1951	
	1948	1951	1956	1957	1948	1951	1956	1957	1956	1957	1956	1957
Net sales quantities in I.G.	17,21,36,001	24,92,31,645	33,33,62,085	38,03,55,745								
	Rs.	Rs.	Rs.	Rs.	Rs	Rs.	Rs.	Rs.	%	%	%	%
1. Salaries and wages	..	1,04,250	39,161	56,203	..	0.0005	0·0001	0·0002				
2. Contract payments	..	209	920	9,196	..	..	..	..				
3. Maintenance, Repairs and Supplies	..	2,185	9,709	24,142	..	..	..	..				
4. Taxes (other than income) and Insurance	..	819	527	552	..	..	..	..				
5. Travelling and Motor Car Expenses	..	26,944	88,047	1,04,392	..	0·0001	0·0003	0·0003				
6. Stationery, Postage, etc.	..	2,226	15,668	28,574	..	..	0·0001	0·0001				
7. Rent	..	7,257	20,687	37,510	..	..	0·0001	0·0001				
8. Water, light, heating, Fire protection and Reconditioning Boxes and Tins	..	1,684	1,494	2,732	..	..	..	..				
9. Legal, Medical and Contributions to Membership	..	124	732	1,208	..	..	..	..				
10. Commission and Guarantee Deposit Interest	..	..	..	..	..	..	..	..				
11. Advertising	..	..	..	..	..	..	..	..				
12. New York and Gen. Reps. Office Expenses	..	..	..	..	..	..	..	..				
13. Delivery Charges	..	..	..	..	..	..	..	..				
14. Sundry Expenses	..	1,135	7,022	13,777	..	..	..	..				
15. Depreciation and Amortization	..	239	5,896	6,706	..	..	..	..				
TOTAL		1,46,422	1,89,863	2,84,983	..	0·0006	0·0006	0·0007				
Less—Credits	..	..	..	..	..	..	..	..				
BALANCE	..	1,46,422	1,89,863	2,84,983	..	0·0006	0·0006	0·0007				
Less—Total Depreciation pertaining to the Functions including item No. 15.	..	251	6,205	6,668	..	..	..	..				
NET TOTAL	..	1,46,171	1,83,658	2,78,315	..	0·0006	0·0006	0·0007	..	..	..	17

STATEMENT No. 3-C 9
STANDARD VACUUM OIL COMPANY

Statement showing trend of expenses under elements of cost for the years 1948, 1951, 1956 and 1957.
Function : Avaiation Service Facilities.

Details	Amount				Unit Cost				Percentage			
	1948	1951	1956	1957	1948	1951	1956	1957	Increase over 1948		Increase over 1951	
Net sales quantities in I.G.	17,21,36,001	24,92,31,645	33,33,62,085	38,03,55,745					1956	1957	1956	1957
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	%	%	%	%
1. Salaries and wages	3,36,357	4,10,690	4,98,860	5,58,104	0·0020	0·0010	0·0016	0·0015	..	..	..	..
2. Contract payments	11,760	10,076	21,851	94,575	0·0001	..	0·0001	0·0002	..	..	..	..
3. Maintenance, Repairs and Supplies	51,030	65,870	2,25,289	2,27,078	0·0002	0·0003	0·0006	0·0006	..	..	..	..
4. Taxes (other than income) and Insurance	32,814	29,806	33,419	12,764	0·0002	0·0001	0·0001	..	..	..	..	..
5. Travelling and Motor Car Expenses	52,645	71,634	61,865	95,062	0·0003	0·0003	0·0002	0·0003	..	..	..	..
6. Stationery, Postage, etc.	5,790	8,593	10,422	18,743	..	..	..	..	..	..	..	..
7. Rent	18,861	40,106	36,666	21,415	0·0001	0·0002	0·0001	0·0001	..	..	..	..
8. Water, light, heating, fire protection and Re-conditioning Boxes and Tins	4,440	8,896	13,919	26,080	..	..	..	..	..	..	..	..
9. Legal, Medical and Contributions to Membership	345	2,322	5,714	6,280	..	..	..	..	..	..	..	..
10. Commission and Guarantee Deposit and Interest	..	..	522	183	..	..	..	..	..	..	..	..
11. Advertising	..	..	..	..	..	..	..	..	..	..	..	..
12. New York and Gen. Rep. Office Expenses	..	..	..	..	..	..	..	..	..	..	..	..
13. Delivery Charges	..	..	..	..	..	..	..	..	..	..	..	..
14. Sundry Expenses	26,965	40,759	73,955	95,818	0·0002	0·0002	0·0002	0·0003	..	..	..	..
15. Depreciation and Amortization	17,510	31,356	90,331	1,19,809	0·0001	0·0001	0·0003	0·0003	..	..	..	..
TOTAL	5,58,517	7,20,1083	10,72,813	12,70,911	0·0032	0·0028	0·0032	0·0033	..	..	..	..
Less—Credits	..	..	68,264	15,608	..	..	0·0002	..	..	..	..	..
BALANCE	5,58,517	7,20,108	10,04,549	12,55,303	0·0032	0·0028	0·0030	0·0033	..	..	..	..
Less—Total Depreciation pertaining to the Functions including item No. 15	18,428	32,999	95,064	1,19,733	0·0001	0·0001	0·0003	0·0003	..	..	..	..
NET TOTAL	5,40,089	6,87,109	9,09,485	1,13,55,70	0·0031	0·0027	0·0027	0·0030	(—) 13	(—) 13	0	11

STATEMENT No. 3-B I
CALTEX (INDIA) LIMITED

Statement showing the trend of expenses under elements of the cost—for the years 1948, 1851, 1956 and 1957.

Function : All Function

Summary of Expenses	Amount				Unit Incidence				INCREASE OVER 1948			INCREASE OVER 1951	
	1948	1951	1956	1957	1948	1951	1956	1957	1951	1956	1957	1956	1957
	Rs.	Rs.	Rs.	Rs.									
(*i*) Salaries and Wages	30,46,111	42,80,707	90,49,894	1,04,62,174	0·0364	0·0345	0·0457	0·0433	..	..	..	..	..
(*ii*) Special Allowances	15,83,968	33,81,524	1,00,91,100	1,04,55,563	0·0189	0·0273	0·0510	0·0433					
(*iii*) Extra Labour	10,03,541	16,95,410	6,90,408	5,24,336	0·0137	0·0136	0·0035	0·0025					
(*iv*) Over time	..	..	2,46,634	3,44,107	..	..	0·0012	0·0014					
(*v*) Staff payment	..	..	11,22,143	20,04,654	..	..	0·0057	0·0083					
(*vi*) Contract Labour	..	..	5,82,271	6,89,052	..	..	0·0429	0·0629					
I Total Staff payments	57,23,620	93,57,641	2,17,82,450	2,45,49,386	0·0684	0·0754	0·1100	0·1017	10	61	49	46	35
II Repair Tool etc.	6,96,715	13,01,862	27,73,394	34,74,341	0·0082	0·0105	0·0140	00·144	27	69	73	33	37
III Rentals etc.	12,68,561	13,96,189	33,85,596	34,08,967	0·0151	0·0113	0·0172	0·0141	(—)25	14	(—) 7	52	25
IV Office Expenses	5,47,719	7,16,213	17,03,744	18,46,815	0·0065	0·0058	0·0086	0·0077	(—)11	32	18	48	33
V Travel Expenses	9,83,302	9,89,124	18,78,877	16,26,225	0·0117	0·0080	0·0095	0·0067	(—)32	(—)19	(—)43	19	(—)16
VI Auto Expenses	3,88,542	7,45,967	16,23,834	18,38,731	0·0046	0·0060	0·0082	0·0076	30	72	65	37	27
VII Drayage etc	3,32,389	7,76,810	20,88,394	21,50,867	0·0040	0·0063	0·0105	0·0089	57	162	122	67	41
VIII Wharfage	10,63,856	27,10,467	45,29,981	56,18,329	0·0127	0·0218	0·0229	0·0233	72	80	83	5	7
IX Taxes and Licences	1,32,155	2,20,322	7,13,644	8,95,215	0·0016	0·0017	0·0036	0·0037	126	125	131	113	118
X Depreciation	6,96,961	7,36,417	43,22,898	48,59,038	0·0083	0·0050	0·0218	0·0201	(—)29	162	142	269	241
XI Employees Benefit	3,15,355	5,83,724	9,05,678	10,09,048	0·0038	0·0047	0·0046	0·0092	24	21	11	(—) 2	(—) 11
XII Miscellaneous	2,24,780	2,43,110	7,21,953	6,68,517	0·0027	0·0020	0·0036	0·0028	(—)26	38	4	80	40
XIII Advertising	1,90,242	6,77,013	11,92,681	11,96,398	0·0023	0·0054	0·0060	0·0050	138	161	117	11	(—)7
GRAND TOTAL	1,25,63,157	2,04,54,559	4,76,23,124	5,31,40,937	0·1500	0·1648	0·2405	0·3202	10	60	47	46	34
Less—Transfers	(—)17,72,662	(—)41,34,222	(—)90,93,428	(—)1,08,47,732	(—)0·021	(—)0·0333	(—)0·0459	(—)0·0428	(—) 58	119	103	38	29
TOTAL EXPENSES	1,07,90,495	1,63,20,337	3,85,29,696	4,27,93,203	0·1290	0·1315	0·1946	0·1774	2	51	38	48	35

STATEMENT No. 3-C 2
CALTEX (INDIA) LIMIETD

Statement showing the trend of expenses under elements of cost for the years 1948- 51 56 & 57

Function: Terminal Operating Expenses

Summary of Expenses	Amount				Unit Incidence				Percentage				
									Increase over 1948			Increase over 1951	
	1948	1951	1956	1957	1948	1951	1956	1957	1951	1956	1957	1956	1957
(*i*) Salaries & Wages	5,11,695	5,91,749	19,47,844	21,25,494	·0061	·0048	·0098	·0088					
(*ii*) Special allowances	2,86,124	4,23,906	17,07,344	19,58,892	·0034	·0034	·0086	·0081					
(*iii*) Extra labour	8,21,834	11,77,081	3,83,642	3,32,888	·0098	·0095	·0019	·0014					
(*iv*) Overtime			1,45,180	1,99,153			·0008	·0008					
(*v*) Staff bonus			3,92,880	8,09,139			·0021	·0031					
(*vi*) Contract Labour			5,62,266	6,39,263			·0028	·0026					
I. Total Staff Payments	16,19,653	2,19,27,36	51,39,156	60,64,829	·0193	·0177	·0260	·0251	(—)8	35	30	47	42
II. Repairs Tools etc.	4,43,397	8,47,103	12,93,104	14,52,372	·0053	·0068	·0064	·0060	28	21	13	(—)6	(—)12
III. Rentals etc.	3,28,369	3,69,978	10,97,141	11,13,883	·0039	·0030	·0056	·0046	—23	44	18	87	53
IV. Office Exp.	60,301	73,421	1,25,326	1,46,969	·0007	·0006	·0006	·0006	—14	—14	—14	..	..
V. Travel Exp.	64,444	71,819	1,47,184	89,510	·0008	·0006	·0008	·0004	—125	..	—50	33	(—)33
VI. Auto Exp.	28,583	46,581	94,625	6,847	·0003	·0004	·0005	·0005	33	67	67	25	25
VII. Drayage etc.	1,60,104	3,93,680	9,36,529	8,75,893	·0019	·0033	·0047	·0036	74	147	89	42	9
VIII. Wharfage	10,63,856	27,10,425	45,27,427	56,13,538	·0127	·0218	·0229	·0233	72	80	83	5	7
IX. Taxes and Licences	65,787	92,697	1,98,658	1,96,819	·0008	·0007	·0010	·0008	—12	25	..	43	14
X. Depreciation	3,23,303	2,44,469	13,47,526	14,34,036	·0039	·0018	·0068	·0059	—54	74	51	278	228
XI. Emp. Benefit	88,972	1,92,426	3,00,523	3,37,906	·0011	·0014	·0015	·0014	27	36	27	7	..
XII. Miscellaneous	71,876	66,096	1,25,861	1,43,852	·0009	·0006	·0006	·0006	—33	—33	—33	..	..
XIII. Advertising	1,364	122	..	..	..	..	..	..	..	..	..	..	..
Grand Total Ex.	43,20,509	73,01,553	1,53,33,059	1,75,76,454	·0516	·0587	·0774	·0728	14	50	41	32	24
Less Transfers	(—)20,66,211	—51,59,735	—95,51,244	1,08,85,431	(—) ·0247	(—) ·0415	(—) ·0482	(—) ·0451	68	95	83	16	9
TOTAL Ex	22,54,298	21,41,818	57,81,815	66,91,023	·0269	·0172	·0292	·0277	(—)36	9	3	70	61

STATEMENT No. 3-C 3

CALTEX (INDIA) LTD

Statement showing the trend of Expenses under elements of cost for the years 1948, 1951, 1256 & 1957

Function: Selling Expenses

Summary of Expenses	Amount				Unit Incidence				Percentage				
									Increase over 1948			Increase over 1951	
	1948	1951	1956	1957	1948	1951	1956	1957	1951	1956	1957	1956	1957
(*i*) Salary & Wages	1,48,350	2,10,939	4,07,620	4,76,162	·0018	·0017	·0021	·0020	..	..	..	..	..
(*ii*) Special allowance	60,125	1,05,202	2,13,497	2,60,856	·0007	·0008	·0010	·0011	..	..	..	..	..
(*iii*) Extra labour	15,095	17,527	6,800	4,855	·0002	·0001	..	..	..	..	..	..	..
(*iv*) Overtime	..	..	..	..	..	..	..	..	..	..	..	..	..
(*v*) Staff Bonus	..	..	35,049	39,362	..	..	·0002	·0001	..	..	..	..	..
(*vi*) Contract Labour	..	..	..	..	..	..	..	..	..	..	..	..	..
I. Total staff payments	2,23,570	3,33,668	6,62,966	7,81,235	·0027	·0026	·0033	·0032	(—)4	22	19	27	23
II. Repairs Tools etc.	..	..	..	..	..	..	..	..	..	..	..	..	..
III. Rentals etc.	..	..	..	..	..	..	..	..	..	..	..	..	..
IV. Office Expenses	25	22	..	..	..	..	..	..	..	..	..	..	..
V. Travel Expenses	2,08,222	2,24,649	2,70,584	2,70,530	·0025	·0010	·0015	·0011	(—)24	(—)40	(—)56	(—)21	—(42)
VI. Auto Expenses	32,008	1,03,043	3,18,571	3,24,958	·0004	·0008	·0016	0013	100	300	225	100	63
VII. Drayage etc.	..	..	..	..	..	..	..	..	..	..	..	..	..
VIII. Wharfage	..	..	..	..	..	..	..	..	..	..	..	..	..
IX. Taxes & Licences	..	..	8,143	6,503	..	..	..	..	..	..	..	..	..
X. Depreciation	..	..	1,64,258	1,68,561	..	..	·0008	·0007	..	..	..	..	..
XI. Employment Benefits	14,374	21,094	46,313	45,914	·0002	·0002	·0002	·0002	..	..	..	..	..
XII. Miscellaneous	33,095	36,046	66,880	14,452	·0004	·0003	·0003	·0001	(—)25	(—)25	(—)75	..	(—)67
XIII Advertising	7,773	8,500	11,587	913	·0001	·0001	·0001	..	..	..	..	..	..
GRAND TOTAL	5,19,067	7,27,022	15,49,302	16,13,066	·0063	·0059	·0078	·0066	(—)6	24	5	32	12
Less Transfers	..	..	..	..	..	..	..	..	..	..	..	..	..
TOTAL—EXPENSES	5,19,067	7,27,022	15,49,302	16,13,066	·0063	·0059	·0078	·0066	(—)6	24	5	32	12

STATEMENT No. 3-C 4

CALTEX (INDIA) LIMITED

Statement showing the trend of Expenses under elements of cost for the years 1948, 1951, 1956 *and* 1257

Function : Delivery by Motor Vehicles

Summary of Expenses	Amount				Unit incidence				Percentage of increase over 1948			Percentage of increase over 1951	
	1948	1951	1956	1957	1948	1951	1956	1957	1951	1956	1957	1956	1957
(*i*) Salaries & Wages	28,035	47,017	1,37,953	1,55,227	·0003	·0004	·0007	·0006					
(*ii*) Special allowances	12,808	36,007	1,07,386	1,28,332	·0002	·0003	·0006	·0005					
(*iii*) Extra Labour	29,290	64,361	8,839	8,204	·0003	·0005	..	..					
(*iv*) Overtime			44,575	54,158			·0002	·0002					
(*v*) Staff Payments			16,268	17,219			·0001	·0001					
(*vi*) Contract Labour			126	467			..	..					
I. Total Staff Payments	65,133	1,47,385	3,15,147	3,63,607	·0008	·0012	·0016	·0014	50	100	75	33	17
II. Repair Tools etc.													
III. Rentals etc.													
IV. Office Exp.													
V. Travel Exp.	662	12,549	50,832	52,811	..	·0001	·0002	·0002	..	..	..	100	100
VI. Auto Exp.	1,13,967	3,46,777	8,12,913	9,52,122	·0014	·0028	·0042	·0039	100	200	179	50	39
VII. Drayage etc.													
VIII Wharfage													
IX. Taxes & Licences	16,639	43,609	1,81,685	2,12,124	·0002	·0003	·0009	·0009	50	350	350	200	200
X. Depreciation	96,282	1,18,523	4,50,354	5,12,183	·0011	·0010	.0023	·0022	(—)9	109	100	130	120
XI. Emp. Benefits			6,119	7,007	..	..	..	..	..	..	..	..	..
XII. Miscellaneous	3,388	7,528	35,807	41,447	..	·0001	·0002	·0002	..	..	..	100	100
XIII. Advertising													
GRAND TOTAL	2,96,071	6,76,366	18,52,857	21,42,301	·0035	·0055	·0094	·0088	57	169	151	71	60
Less Transfers	(—)3,665	(—)71,044	(—)1,96,789	(—)2,15,480	(—)..	(—)·0006	(—)·0010	(—)·0009	..	..	..	67	50
TOTAL EXPENSES	2,92,406	6,05,322	16,56,068	19,26,821	·0035	·0049	·0084	·0079	40	140	126	71	61

STATEMENT No. 3-C-5
CALTEX (INDIA) LTD.

...ment showing the trend of expenses under elements of cost for the years **1948, 51, 56 & 57**

Function :Delivery by Refuellers.

Summary of Expenses	Amount				Unit Incidence				Percentage of Increase over 1948			Percentage of increase over 1951	
	1948	1951	1956	1957	1948	1951	1956	1957	1951	1956	1957	1956	1957
(*i*) Salaries & Wages	6,846	2,817	978	..	·0001	..	..	..					
(*ii*) Special allowances	8,427	2,896	487	..	..	..	..	..					
(*iii*) Extra Labour	6,374	679	..	..	·0001	..	..	..					
(*iv*) Overtime			156	..		..	..	..					
(*v*) Staff payments			(—)170	..		..	..	..					
(*vi*) Contract Labour													
I. Total staff payments	16,647	4,892	1,451	..	·0002	..	..	..	..	..	..	..	..
II. Repair Tools etc.				..				..					
III. Rentals etc.				..				..					
IV. Office Exp.				..				..					
V. Travel Exp.	11		6,885	..	..	..	..	..	..	..	..	..	..
VI. Auto Exp.	32,974	16,196		..	·0004	·0002		..	(—)50	..	..	..	..
VII. Drayage etc.				..				..					
VIII. Wharfage													
IX. Taxes & Licences	5,193	2,011	3,888	..	·0001	..	..	..	..	..	..	..	..
X. Depreciation	68,086	338	24,643	..	·0008	..	·0001	..		(—)87	..	..	..
XI. Emp. Benefits			94				..	..	..	..	..	..	..
XII. Miscellaneous	1,351	375	603	..	..	..	..	..	..	..	..	..	..
XIII. Advertising	..	..	..	..	..	..	..	..	..	..	..	..	..
GRAND TOTAL	1,19,267	23,807	37,564	..	·0015	·0002	·0001	..	(—)87	(—)93	..	(—)50	..
Less Transfers	(—)2,509	(+)1,253	(—)6,394	..	..	..	..	..					
TOTAL EXPENSES	(—)1,16,758	25,060	31,170	..	·0015	·0002	·0001	..	(—)87	(—)93	..	(—)50	..

STATEMENT No. 3-C 6

CALTEX (INDIA) LTD.

Statement showing the trend of expenses under elements for cost of the years **1948, 51, 56& 57**

Function : Loaned facilities—Pumps.

Summary of Expenses	Amount				Unit Incidence				Percentage of increase over 1948			Percentage of increase over 1951	
	1948	1951	1956	1957	1948	1951	1956	1957	1951	1956	1957	1956	1957
(*i*) Salaries & Wages			1,02,367	1,08,667			·0005	·0005					
(*ii*) Special allowances			59,753	66,718			·0004	·0003					
(*iii*) Extra labour	(—)12		5,747	1,275	..		..	..					
(*iv*) Overtime			1,364	3,836			..	..					
(*v*) Staff Payments			25,078	31,548			·0001	·0001					
I. Total staff Payments	(—)12	..	1,94,309	2,12,044	..	..	·0010	·0009	..	..	..		
II. Repairs tools etc.	1,10,684	1,42,696	4,51,338	5,30,087	·0018	·0011	·0023	·0022	(—)15	77	69	109	100
III. Rentals etc.	223		500			..	..	..	..	..	..	..	..
IV. Office Exp.													
V. Travel Exp.	20,476	56,841	1,06,333	97,933	·0002	·0005	·0005	·0004	150	150	100	0	(—)20
VI. Auto Exp.	7,928	8,885	15,187	21,171	·0001	·0001	·0001	·0001	0	0	0	0	0
VII. Drayage etc.	31,957	1,75,049	7,03,414	6,57,853	·0004	·0014	·0036	·0027	250	800	575	157	093
VIII. Wharfage	..	..	..	..	..	..	..	..	..	..	..	..	..
IX. Taxes & Licences	867	574	6,393	3,898	..	..	..	..	..	..	..	..	..
X. Depreciation	53,382	74,706	4,84,818	6,29,995	·0006	·0006	·0025	·0026	0	317	333	317	333
XI. Emp. Benefits													
XII. Miscellaneous	2,301	1,395	48,965	20,742	..	..	·0002	·0001	..	..	..	..	..
XIII. Advertising	260				..	..	..	..					
GRAND TOTAL	2,28,016	4,60,146	20,11,257	21,73,718	·0026	·0037	·0102	·0090	42	292	246	176	143
Less Transfers	..	(+)17	(—)1,93,019	(—)2,11,934	..	..	(—)·0010	(—)·0009					
TOTAL—EXPENSES	2,28,016	4,60,163	18,18,238	19,61,748	·0026	·0037	·0092	·0081	42	254	212	149	119

STATEMENT No. 3-C-7

CALTEX (INDIA), LTD.

Statement showing the trend of expenses under elements of cost for the year **1948, 51, 56 & 57.**

Function : *Loaned facilities—Others*

Summary of Expenses	Amount				Unit Incidence				Percentage of increase over 1948			Percentage of increase over 1951	
	1948	1951	1956	1957	1948	1951	1956	1957	1951	1956	1957	1956	1957
(*i*) Salaries and wages													
(*ii*) Special allowances													
(*iii*) Extra labour													
(*iv*) Overtime													
(*v*) Staff payments													
(*vi*) Contract labour													
I. Total staff payments	..	..	..	..	..	..	..	..	..	..	..	..	..
II. Repairs tools etc.	52,474	93,602	4,50,473	7,33,492	·0006	·0008	·0023	·0030	33	283	400	188	275
III. Rentals, etc.	2,465	43,267	6,13,087	5,99,070	..	·0003	·0031	·0025	..	..	..	933	733
IV. Office Exp.	..		285	216			..	..	..	..	..	..	..
V. Travel. Exp.	2,801	7,721	29,161	15,312	..	·0001	·0001	..	..	..	..	..	..
VI. Auto Exp.													
VII. Drayage etc.	4,888	30,196	1,01,511	1,89,340	·0001	·0002	·0005	·0009	100	400	700	150	300
VIII. Wharfage													
IX. Taxes and licences	3,183	8,732	99,937	1,40,425	..	·0001	·0005	·0006	..	..	..	400	500
X. Depreciation	20,774	32,009	6,48,642	7,97,422	·0002	·0002	·0033	·0033	..	1550	1500	1550	1550
XI. Emp. Benefits													
XII. Miscellaneous	1,400	530	78,520	79,074	..	..	·0004	·0003	..	..	..	..	..
XIII. Advertising	168												
GRAND TOTAL	88,153	2,16,057	20,21,616	25,54,351	·0009	·0017 (—)	·0102 (—)	·0106 (—)	89	1033	1078	500	524
Less transfers		—41,422	—3,09,616	—2,18,585	..	·0003	·0016	·0009	..	..	..		
TOTAL—EXPENSES	88,153	1,74,635	17,12,000	23,35,766	·0009	·0014	·0086	·0097	56	856	977	514	593

STATEMENT No. 3-C 8

CALTEX (INDIA), LTD.

Statement showing the trend of Expense under elements of cost for the years 1948, 51, 56 and 1957.

Function: Operating Expenses

Summary of Expenses	Amount				Unit Incidence				Percentage of increase over 1948			Percentage of increase over 1951	
	1948	1951	1956	1957	1948	1951	1956	1957	1951	1956	1957	1956	1957
(*i*) Salaries and Wages	84,141	1,09,416	1,64,740	1,69,764	0·0010	0·0009	0·0008	0·0007					
(*ii*) Special Allowances	44,355	69,812	1,06,885	1,12,895	0·0005	0·0006	0·0005	0·0005					
(*iii*) Extra Labour	35,967	67,368	35,278	12,253	0·0004	0·0005	0·0002	0·0001					
(*iv*) Over-time			3,315	778									
(*v*) Staff Payments			—5,019	22,902				0·0001					
(*vi*) Contract Labour			7,054	5,379									
I Total Staff Payments	1,64,463	2,46,596	3,12,253	3,24,976	0·0019	0·0020	0·0015	0·0014	1	—21	—26	—25	—30
II Repair Tools etc.	24,835	64,739	1,34,333	1,28,783	0·0003	0·0005	0·0007	0·0005	67	132	67	40	
III Rentals etc.	8,41,090	7,37,792	7,75,490	7,15,253	0·0101	0·0061	0·0040	0·0030	—40	—60	—70	—34	—51
IV Office Expenses	69,161	50,992	3,11,719	3,38,508	0·0009	0·0004	·00016	0·0014	—56	78	56	300	250
V Travel Expenses	32,557	51,075	40,350	33,661	0·0004	0·0004	0·0002	0·0001		—50	—75	—50	—76
VI Auto Expenses	360		4,174	4,678									
VII Drayage etc.	67,952	50,045	24,376	27,206	0·0008	0·0004	0·0001	0·0001	—50	—87	—87	—75	—75
VIII Wharfage		42	656	1,550									
IX Taxes and Licences	10,951	16,890	73,065	57,680	0·0001	0·0001	0·0004	0·0002		300	100	300	100
X Depreciation	20,116	49,908	18,190	38,455	0·0002	0·0004	0·0001	0·0002	100	—50		—75	—50
XI Emp. Benefits	3,909	12,901	17,399	19,520	0·0001	0·0001	0·0001	0·0001					
XII Miscellaneous	12,231	18,450	50,804	37,423	0·0002	0·0001	0·0003	0·0002	—50	50		200	100
XIII Advertising	594	105	4,07,616	3,12,962			0·0020	0·0013					
GRAND TOTAL	12,53,219	12,99,535	21,70,475	20,40,655	0·0150	0·0105	0·0110	0·0085	—30	—27	—43	5	—19
Less Transfers	+4,36,915	+13,61,731	+18,81,226	+16,81,567	+0·0052	+0·0110	+0·0095	0·0070	112	83	35	—14	—36
TOTAL EXPENSES	16,90,134	26,61,266	40,51,701	37,22,222	0·0202	0·0215	0·0205	0·0155	6	1	—23	—5	—28

STATEMENT NO. 3-C 9

CALTEX (INDIA) LTD.

Statement showing the trend of expenses under elements of cost for the years 1948, 51, 56 *and* 1957.

Functions : Depot Expenses

Summary of Expenses	Amount				Unit Incidence				Percentage of increase over 1948			Percentage of increase over 1951	
	1948	1951	1956	1957	1948	1951	1956	1957	1951	1956	1957	1956	1957
(*i*) Salaries and Wages	92,419	1,72,745	7,27,921	8,34,690	0·0011	0·0014	0·0037	0·0034					
(*ii*) Special Allowance	72,821	1,61,556	5,84,956	7,18,784	0·0009	0·0013	0·0030	0·0030					
(*iii*) Extra Labour	49,929	1,20,382	1,04,963	99,579	0·0006	0·0010	0·0005	0·0004					
(*iv*) Over-time			26,201	40,572			0·0001	0·0002					
(*v*) Staff Payments			1,18,864	2,09,703			0·0006	0·0009					
(*vi*) Contract Labour			12,745	43,611			0·0001	0·0003					
I. Total Staff Payments	2,15,169	4,54,683	15,75,650	19,46,939	0·0026	0·0037	0·0080	0·0082	142	208	215	116	122
II. Repairs Tools etc.	34,395	1,12,546	3,14,120	4,84,420	0·0004	0·0010	0·0016	0·0020	150	300	400	60	100
III. Rentals	19,472	68,749	3,02,707	2,54,469	0·0002	0·0005	0·0015	0·0011	150	650	450	200	120
IV. Office Expenses	18,338	47,848	1,84,993	2,15,504	0·0002	0·0004	0·0009	0·0009	100	350	350	125	125
V. Travel Expenses	12,860	29,779	83,134	68,773	0·0002	0·0002	0·0004	0·0002		100		100	
VI. Auto Expenses		2,154	7,647	7,090	..	..	..	..	..	..	..	..	..
VII. Drayage etc.	67,459	1,27,376	3,22,245	3,99,063	0·0008	0·0010	0·0016	0·0017	25	100	113	60	70
VIII. Wharfage	..	..	1,898	3,241	..	..	..	..	..	..	..	..	..
IX. Taxes and Licences	7,307	20,796	77,744	99,617	0·0001	0·0002	0·0005	0·0005	100	400	400	150	150
X. Depreciation	70,516	1,57,407	7,39,987	8,94,547	0·0010	0·0013	0·0037	0·0037	30	37	37	185	185
XI. Emp. Benefits	10,283	21,424	91,283	1,15,049	0·0001	0·0002	0·0005	0·0005	100	400	400	150	150
XII. Miscellaneous	4,154	15,278	81,621	91,048	0·0001	0·0001	0·0005	0·0004	..	400	300	400	300
XIII. Advertising	484	562	..	..	..	..	..	..	..	..	..	..	..
GRAND TOTAL	4,60,077	10,58,602	37,83,029	45,79,760	0·0057	0·0086	0·0192	0·0192	151	237	237	123	123
Less Transfer	—1,10,822	—1,44,648	—3,55,286	—4,24,294	—0·0013	—0·0012	(—)0·0018	—0·0018	—8	38	38	50	50
TOTAL EXPENSES	3,49,255	9,13,954	34,27,743	41,55,466	0·0044	0·0074	0·0174	0·0174	68	295	295	135	135

STATEMENT No. 3-C 10

CALTEX (INDIA), LTD.

Statement showing the trend of expenses under elements of cost for the years 1948, 1951, 1956 *and* 1957

Functions : Aviation Depot.

Summary Expenses	Amount				Unit Incidence				Percentage of increase over 1948			Percentage of increase over 1951	
	1948	1951	1956	1957	1948	1951	1956	1957	1951	1956	1957	1956	1957
(*i*) Salaries and Wages	34,385				·0004								
(*ii*) Special allowance	27,594				·0003								
(*iii*) Extra Labour	20,838				·0003								
(*iv*) Overtime													
(*v*) Staff Payment													
(*vi*) Contract Labour													
I. Total Staff Payments	82,817				·0010								
II. Repair tools etc.	4,294				·0001								
III. Rentals	4,524	1,767			·0001								
IV. Office expenses	8,520				0001								
V. Travel Expenses	7,893				·0001								
VI. Auto Expenses	1,480				..								
VII. Drayage etc.													
VIII. Wharfage													
IX. Taxes and Licence	327				..								
X. Depreciation	3,152				..								
XI. Emp. Benefits	2,749				..								
XII. Miscellaneous	239				..								
XIII. Advertising	..				..								
GRAND TOTAL	1,15,986	1,767			·0014								
Less Transfer	—2,619	—1,599			..								
TOTAL EXPENSES	1,13,367	168			·0014								

STATEMENT No. 3-C II

CALTEX (INDIA) LTD.

Statement showing the trend of expenses under elements of Cost for the years 1948, 1951, 1956 & 1957.

Function : District Overhead Expenses

Summary of Expenses	Amount				Unit incidence				Percentage of increase over 1948			Percentage of increase over 1951	
	1948	1951	1956	1957	1948	1951	1956	1957	1951	1956	1957	1956	1957
	Rs.	Rs.	Rs.	Rs.									
(*i*) Salaries & Wages	11,57,558	14,06,508	30,90,876	34,94,455	·0138	·0113	·0156	0·145					
(*ii*) Special allowances	6,17,715	10,11,087	28,55,602	32,67,557	·0074	·0082	·0144	·0135					
(*iii*) Extra Labour	71,505	1,34,698	68,667	70,650	·0009	·0011	·0004	·0003					
(*iv*) Overtime			20,799	37,682			·0001	·0002					
(*v*) Staff payments			3,52,975	5,49,680			·0017	·0022					
(*vi*) Contract labour			80	88			..						
I. Total Staff payment	18,46,788	25,52,293	68,83,999	74,20,112	·0221	·0206	·0322	·0307	—7	46	39	56	94
II. Repairs Tools etc.	5,312	12,927	70,270	84,687	·0001	·0001	·0004	·0004	0	300	300	300	300
III. Rental etc.	44,790	1,18,700	4,14,599	4,66,931	·0005	·0010	·0021	·0018	100	320	260	110	80
IV. Office Exp.	2,72,113	3,71,598	7,82,762	7,95,781	·0032	0·0080	·0040	·0034	—6	25	6	33	13
V. Travel Exp.	2,72,515	2,60,351	7,35,748	6,21,647	·0032	·0020	·0037	·0027	—37	16	—16	85	85
VI. Auto Exp.	1,21,658	1,36,261	2,92,690	3,36,934	·0014	·0011	·0014	.0014	—21	0	0	27	27
VII. Drayage etc.	34		304	712	..	..	..	..	..	..	..	..	..
VIII. Wharfage													
IX. Taxes & licences	7,687	15,583	36,265	31,527	·0001	·0002	·0002	·0001		100		100	
X. Depreciation	11,027	20,125	2,97,453	2,54,640	·0001	·0002	·0015	·0010	100	1400	900	650	400
XI. Exp. Benefit	85,573	1,93,429	2,55,381	2,86,823	·0010	·0016	·0013	·0012	60	30	(—)10	(—)19	(—)25
XII. Miscellaneous	76,211	74,454	1,75,046	1,78,454	·0009	·0006	·0009	·0006	—33		(—)33	50	0
XIII. Advertising	1,35,566	5,53,561	6,40,825	5,38,069	·0017	·0044	·0030	·0022	159	76	29	—32	50
GRAND TOTAL	28,78,369	43,02,287	1,00,49,342	1,10,16,317	·0343	·0347	·0507	·0455	1	48	33	46	31
Less transfer	(+) (+)12,973	(—) (—)10,286	(—) (—)52,422	(+) —39,329	(+) —·0002	(—) (—)·0001	(—) (—)·0002	(+) (+)·0003	—50	0	50	100	200
TOTAL EXPENSES	28,91,842	42,98,991	99,96,920	110,55,646	·0345	·0346	·0505	0·0458	0	46	33	46	32

STATEMENT No. 3-C-12

CALTEX (INDIA) LTD.

Statement showing the trend of expenses under elements of cost for the years 1948, 51, 56 and 57.

Function :Company Overhead Expenses

Summary of Expenses	Amount				Unit incidence				Percentage of incidence over 1948			Percentage of incidence over 1951	
	1948	1951	1956	1957	1948	1951	1956	1957	1951	1956	1957	1956	1957
	Rs.	Rs.	Rs.	Rs.									
(*i*) Salaries & Wages	9,87,672	17,39,516	24,69,595	30,07,715	·0118	·0140	·0125	·0128					
(*ii*) Spl. allowances	4,58,999	15,72,558	44,55,190	39,41,529	·0955	·0127	·0225	·0163					
(*iii*) Extra labour	42,721	1,13,314	81,472	63,627	·0005	·0009	·0005	0·0003					
(*iv*) Overtime			5,044	7,928			..	..					
(*v*) Staff Payment			1,86,218	3,25,101			·0009	·0014					
(*vi*) Contract labour			..	244									
I. Total staff payments	14,89,392	34,25,388	7,97,519	74,36,144	·0178	·0276	·0364	0308	55	104	73	32	12
II. Repairs tools etc.	21,374	28,249	59,705	60,500	·0002	·0002	·0003	·0003	0	50	50	50	50
III. Rentals etc.	27,628	55,936	1,82,072	2,58,461	·0003	·0004	·0009	·0011	33	200	267	125	175
IV. Office Exp.	1,19,261	1,72,337	2,98,660	3,49,837	·0014	·0014	·0015	·0014		7		7	0
V. Travel Exp.	3,59,861	2,74,340	4,08,666	3,75,108	·0043	·0022	·0021	·0015	(—)49	(—)51	(—)65	(—)5	(—)32
VI. Auto Exp.	50,189	86,070	78,028	84,931	·0006	·0006	·0004	·0004	0	(—)33	(—)33	(—)33	(—)33
VII. Drayage etc.		164	15	200	..								
VIII. Wharfage													
IX. Taxes & licences	14,464	19,430	27,866	1,46,627	·0002	·0002	·0001	·0006	0	(—)50	200	(—)50	200
X. Depreciation	35,183	38,937	1,47,027	1,29,199	·0004	·0004	·0007	·0005	0	75	25	70	25
XI. Exp. Benefits	1,04,495	1,42,450	1,88,566	1,96,829	·0013	·0012	·0010	·0008	—8	(—)123	(—)38	(—)17	(—)33
XII. Miscellaneous	18,543	22,963	57,846	62,025	·0002	·0002	·0002	·0003	0	0	50		50
XIII. Advertising	44,033	1,14,163	1,68,653	3,44,454	·0005	·0009	·0009	·0015	80	80	200		67
Grand Total	22,84,423	43,80,427	88,14,623	99,44,315	·0272	·0353	·0445	·0392	30	64	44	26	11
Less Trans	(—)36,724	(—)68,489	(—)3,09,884	(—)1,12,900	(—)·0004	(—)·0006	(—)·0016	(—)·0005	50	300	25	167	(—)17
Total Expenses	22,47,699	43,11,938	85,04,739	93,31,415	·0268	·0347	·0429	·0387	29	60,	44	24	12

STATEMENT No. 3-(D)

Statement showing the unit costs of All India Expenses Under Element-Wise Details

B.O.C. (I.T.)

Particulars	Unit Cost 1948	Unit Cost 1951	Unit Cost 1956	Unit Cost 1957	Percentage 1948	Percentage 1951	Percentage 1956	Percentage 1957
1. Salaries	0·0003	0·0008	0·0003	0·0003	100	267	100	100
2. Wages	0·0034	0·0044	0·0044	0·0047	100	129	129	138
2. Stores	0·0007	0·0010	0·0017	0·0014	100	157	243	200
4. Oils & Fuel	0·0001	..	0·0001	0·0001	100	..	100	100
5. Contractors	..	0·0003	0·0015	0·0012	..	100	500	400
6. Travelling	..	..	..	..	..	..	..	..
7. Insurance	0·0001	0·0001	0·0001	0·0001	100	100	100	100
8. Sundries	..	..	0·0003	0·0004	..	..	100	133
9. Stores (Dunnage)	0·0002	0·0008	0·0009	0·0007	100	400	450	350
10. Services	0·0020	0·0018	0·0028	0·0029	100	90	140	145
11. Upkeep of Eng. Tools	..	..	0·0001	0·0001	..	..	100	100
12. Special Revenue	0·0002	..	..	0·0003	100	..	..	150
13. Sales Management	0·0052	0·0079	0·0125	0·0138	100	152	130	265
14. Agency Charges	0·0039	0·0053	0·0063	0·0074	100	136	162	190
TOTAL :	0·0161	0·0225	0·0310	0·0334	100	140	193	207

I.B.P.

Particulars	Unit Cost 1948	Unit Cost 1951	Unit Cost 1956	Unit Cost 1957	Percentage 1948	Percentage 1951	Percentage 1956	Percentage 1957
1. Salaries, Wages including Bonus and Provident Fund	0·0515	·0586	0·0806	0·0779	100	114	157	151
2. Staff Welfare Exp.			0·0020	0·0031				
3. Insurance			0·0042	0·0037				
4. Stores & Spare Parts			0·0071	0·0070				
5. Power & Fuel			0·0029	0·0024				
6. Rent			0·0128	0·0081				
7. Repairs of Building and Mach.			0·0088	0·0087				
8. Rates and Taxes other than Sales-tax and Local Tax	0·0753	0·0752	0·0039	0·0034				
9. Burmah-Shell, B. O. C. and other Contractor's Charges			0·0322	0·0369				
10. Miscellaneous (Total for items 2 to 10)			0·0134	0·0129				
	0·0753	0·0752	0·0873	0·0862	100	100	116	114
11. Head Office Exps. other than Salaries Wages and London Office Expenses	0·0078	0·0086	0·0053	0·0066	100	110	68	85
12. London Office Exp.	0·0024	0·0015	0·0062	0·0051	100	62	258	212
13. Package Cost (including Tin Cost and excluding Salaries and Wages)	0·0506	0·0584	0·0475	0·0548	100	110	94	108
14. Depreciation	0·0040	0·0069	0·0118	0·0132	100	172	295	330
	0·1916	0·2092	0·2387	·2438	100	109	125	127
15. Adjustments (including salaries & Wages for Package)	(—)0·0193	(—)0·0265	(—)0·0255	(—)0·0253				
Total	0·1723	0·1827	0·2132	0·2185	100	106	126	128

STATEMENT No. 4-A

Statement showing the F. O. B. rate for Petroleum Products

Source of Import : ABADAN

Product	Motor Spirit	Superior Kerosene	Inferior Kerosene	Avigas 100/130	Avigas 108/135	Avigas 115/145	Avigas 73 Clear	A.T.F.	H.S.D. Oil	Vaporising Oil	Furnace Oil
Conversion per ton. (A) in A. G. @ 60°F.	376·81	340·26	323·98	375·42	382·28	382·24	378·65	341·90	323·10	328·88	281·78
Conversion per ton (B) in I. G. @ 35°F.	319·00	287·06	273·15	317·47	326·48	323·84	320·21	288·44	271·74	277·46	238·75
As on 1-4-58											
(*i*) F.O.B. rate/A.G. in C.	8·9	9·0	8·6	16·5	17·8	17·8	14·5	9·1	9·0	9·1	205 (for Barrel of 42 A.G.
(*ii*) F.O.B. rate/ton in C. .	3353·61	3062·34	2786·23	6194·43	6804·58	6803·87	5490·43	3111·29	2907·90	2992·81	
(*iii*) F.O.B. rate/ton in Rs. @4·77 NP 1 Cent. .	159·9672	146·0736	132·9032	295·4743	324·5785	324·5446	261·8935	148·4085	138·7068	142·7570	65·60
(*iv*) F.O.B. rate/IG in Rs. .	0·5015	0·5088	0·4866	0·9307	0·9942	1·0022	0·8179	0·4145	0·5104	0·5145	..
As on 3-5-58											
(*i*) F.O.B. rate/A.G. in cents. .				16·2	17·5	17·5	14·2				
(*ii*) F.O.B. rate/ton in cents .				6081·80	6689·90	6689·20	5376·83				
(*iii*) F.O.B. rate/ton in Rs. .				290·1019	319·1082	349·0748	256·4748				
(*iv*) F.O.B. rate IG in Rs. .				0·9138	0·9774	0·9853	0·8010				
As on 6-5-58											
(*i*) F.O.B. rate/AG in cents .				16·0	17·3	17·3	14·0				
(*ii*) F.O.B. rate/ton in cents .				6006·72	6613·44	6612·75	5301·10				
(*iii*) F.O.B. rate/ton in Rs. .				286·5205	315·4611	315·4282	252·8625				
(*iv*) F.O.B. rate/I.G. in Rs. .				0·9025	0·9662	0·9740	0·7897				
As on 16-6-58											
(*i*) F.O.B. rate/AG in cents .				16·2	17·5	17·5	14·2				
(*ii*) F.O.B. rate/ton in cents .				6081·80	6689·90	6689·90	5376·83				
(*iii*) F.O.B. rate/ton in Rs. .				290·1019	319·1082	319·0748	256·4748				
(*iv*) F.O.B. rate/I.G. in Rs. .				0·9138	0·9774	0·9853	0·8010				
As on 16-7-58											
(*i*) F.O.B. rate/A.G. in cents .	9·3									9·3	
(*ii*) F.O.B. rate/Ton in cents .	3504·33									3058·58	
(*iii*) F.O.B. rate/ton in Rs. .	167·1565									145·8943	
(*iv*) F.O.B. rate/I.G. in Rs. .	0·5240									0·5258	

As on 12-8-58						
(*i*) F.O.B. rate/A.G. in cents .	9·2	8·9	9·4	9·3		
(*ii*) F.O.B. rate/Ton in cents .	3130·39	2883·42	3213·86	3004·83		
(*iii*) F.O.B. rate/ton in Rs. .	149·3196	137·5391	153·3011	143·3304		
(*iv*) F.O.B. rate/I.G. in Rs. .	0·5201	0·5035	0·5315	0·5275		
As on 20-9-58						
(*i*) F.O.B. rate/AG. in cents .						190.
(*ii*) F.O.B. rate/Ton in cents .						..
(*iii*) F.O.B. rate/Ton in Rs. .						..
(*iv*) V.O.B. rate/I.G. in Rs. .						60·80
As on 10-12-58 (onwards)						
(*i*) F.O.B. rate/A.G. in cents .	9·4		9·6		9·4	
(*ii*) F.O.B. rate/Ton in cents .	3198·44		3282·24		3091·47	
(*iii*) F.O.B. rate/Ton in Rs. .	152·5656		156·5628		147·4612	
(*iv*) F.O.B. rate/I.G. in Rs. .	0·5314		0·5428		0·5315	

STATEMENT No. 4-B.

Statement showing the FOB rate for petroleum products

Source of import: Ras Tanura

Product	*Motor spirit*	*Superior kerosene*	*Inferior kerosene*	*A.T.F.*	*H.S.D. Oil*	*Furnace Oil*
Conversion per ton in A.G. @60°F	376·81	340·26	323·98	341·90	323·10	281·78
Conversion per ton in I.G. @ 85°F . .	319·00	287·06	273·15	288·44	271·74	238·75
As on 1-4-58						
(i) F O.B. Rate/A.G. in C	9·1	9·2	8·8	9·4	9·2	215 (for 42 AG)
(ii) F.O.B. Rate/ton in C	3428·97	3130·39	2,851·02	3,213·86	2,972·52	
(iii) F.O.B. Rate/ton in Rs.@4·77nP=cent	163·5619	149·3196	135·9987	153·3011	141·7892	08·80 { Rs. per ton A.G.
(iv) FOB Rate/I.G. in Rs.	0·5127	0·5204	0·4979	0·5315	0·5218	Rs. per ton I.G.
As on 10-7-58						
(i) F.O.B. Rate/A.G. in C	9·5					
(ii) F.O.B. Rate/ton in C	3,579·69					
(iii) F.O.B. Rate/ton in Rs. @4·77 nP = 1 cent	170·7512					
(iv) F.O.B. Rate/I.G. in Rs.	0·5353					
As on 11-8-58						
(i) F.O.B. Rate/A.G. in C			9·1	9·6		
(ii) F.O.B. Rate/ton in C			2,948·22	3,282·24		
(iii) F.O.B. Rate/ton in Rs. @ 4·77 nP= 1 cent			140·6301	156·5628		
(iv) F.O.B. Rate/I.G. in Rs.			0·5148	0·5428		
As on 12-8-58						
(i) F.O.B. Rate/A.G. in C		9·375			9·5	
(ii) F.O.B. Rate/ton in C		3,189·94			3,069·45	
(iii) F.O.B. Rate/ton in Rs. @ 4·77 nP= 1 cent		152·1600			146·4128	
(iv) F.O.B. Rate/I.G. in Rs.		0·5300			0·5388	
As on 23-9-58						
(i) F.O.B. Rate/A.G. in C						200
(ii) F.O.B. Rate/ton in C						
(iii) F.O.B. Rate/ton in Rs. @ 4·77 nP= 1 cent						
(iv) F.O.B. Rate/I.G. in Rs.						64

As on 10-12-58		
(i) F.O.B. Rate/A.G. in C . . .	9·6	9·8
(ii) F.O.B. Rate/ton in C . . .	3,266·50	3,350·62
(iii) F.O.B. Rate/ton in Rs. @ 4·77 nP= 1 cent	155·8121	159·8246
(iv) F.O.B. Rate/I.G. in Rs. . . .	0·5428	0·5541

STATEMENT No. 5

—Comparative incidence towards AFRA to Indian ports from Abadan and Rastanura for the quarters ended 30-6-58, 30-9-58 *and* 31-12-58.

1-4-1958 to 30-6-1958

		ABADAN				RASTANURA			
Products	Conversion factor in I.G.@85° F.	Bombay Single port	Okha & Kandla Two port	Calcutta, Madras & Vizag Two port	Cochin two port	Bombay single port	Okha & Kandla two port	Calcutta, Madras & Vizag. Two port	Cochin two port
Rate/Ton Sh. . . .		21-2	23-8	40-4	25—10	17—3	19—9	36—2	21—10
1 Re. = S 1-5 31/32 Rs. . .		14·13	15·81	26·94	17·26	11·52	13·19	24·15	14·58
Motor spirit	819·0	0·0443	0·0496	0·0845	0·0541	0·0861	0·0418	0·0757	0·457
Superior kerosene . . .	287·1	0·0492	0·0551	0·0938	0·0601	0·0401	0·0459	0·0841	0·0508
Inferior kerosene . . .	273·2	0·0517	0·579	0·0986	0·0632	0·0422	0·0483	0·0884	0·0534
Avigas 100	317·5	0·0445	0·0498	0·0849	0·0544	0·0863	0·0451	0·0761	0·0459
Avigas 108	326·5	0·0433	0·0484	0·0825	0·0529	0·0353	0·0404	0·0740	0·0447
Avigas 115	323·8	0·0436	0·0488	0·0832	0·0533	0·0356	0·0407	0·0746	0·0450
Avigas 73	320·2	0·0441	0·0494	0·0841	0·0539	0·0360	0·0412	0·0754	0·0455
Aviation turbo fuel . . .	288·4	0·490	0·0548	0·0934	0·0598	0·0399	0·0457	0·0837	0·0506
High Speed Diesel Oil . .	271·7	0·0520	0·0582	0·0992	0·0635	0·0424	0·0485	0·0889	0·0537
Vaporising oil	277·5	0·0509	0·0570	0·0971	0·0622	0·0415	0·0475	0·0870	0·0525
Furnace oil	238·8	0·0592	0·0662	0·1128	0·0723	0·0482	0·0552	0·1011	0·0611
Light Diesel Oil . . .	262·8	0·0538	0·0602	0·1025	0·0657	0·0438	0·0502	0·0919	0·0555
1-7-1958 *to* 30-9-1958									
Rate/Ton Sh. . . .		21-1	23-7	40-2	25—9	17—2	19—8	36—0	21—9
Rs. . . .		14·08	15·75	26·82	17·20	11·46	13·13	24·04	14·52
Motor spirit	319·0	0·0441	0·0494	0·0841	0·0539	0·0359	0·0412	0·0754	0·0455
Superior kerosene . . .	287·1	0·0490	0·0549	0·0934	0·0599	0·0399	0·0457	0·0837	0·0506
Inferior kerosene . . .	273·2	0·0515	0·0577	0·0982	0·0630	0·0419	0·0481	0·0880	0·0531
Avigas 100	317·5	0·0443	0·0496	0·0845	0·0542	0·0361	0·0414	0·0767	0·0457
Avigas 108	326·5	0·0431	0·0482	0·0821	0·0527	0·0351	0·0402	0·0736	0·0445
Avigas 115	323·8	0·0435	0·0486	0·0828	0·0531	0·0354	0·0405	0·0742	0·0448
Avigas 73	320·2	0·0440	0·0492	0·0838	0·0537	0·0358	0·0410	0·0751	0·0453
Aviation Turbine Fuel	288·4	0·0488	0·0546	0·0930	0·0596	0·0397	0·0455	0·0834	0·0503
High Speed Diesel Oil	271·7	0·0518	0·0580	0·0987	0·0633	0·0422	0·0483	0·0885	0·0534
Vapourising Oil	277·5	0·0507	0·0568	0·0966	0·0620	0·0413	0·0473	0·0866	0·0523
Furnace Oil	238·8	0·0590	0·0660	0·1123	0·0720	0·0480	0·0550	0·1007	0·0008
Light Diesel Oil	262·8	0·0536	0·0599	0·1021	0·0654	0·0436	0·0500	0·0915	0·0553

Statement No. 5 (*contd.*)

1-10-1946 to 31-12-1956

Rate/Ton Sh.		20—87	23—1·9	39—4·3	25—3·4	16—9·7	19—2·9	35—2·8	21—3·2
Rs.		13·84	15·46	26·28	16·88	11·22	12·85	23·53	14·20
Motor Spirit	319·0	0·0434	0·0485	0·0824	0·0529	0·0352	0·0403	0·0738	0·0445
Superior Kerosene	287·1	0·0482	0·0538	0·0915	0·0588	0·0391	0·0448	0·0820	0·0495
Inferior Kerosene	273·2	0·0507	0·0566	0·0962	0·0618	0·0411	0·0470	0·0861	0·0520
Avigas 100	317·5	0·0436	0·0487	0·0828	0·0532	0·0353	0·0405	0·0741	0·0447
Avigas 108	326·5	0·0424	0·0474	0·0805	0·0517	0·0344	0·0394	0·0721	0·0435
Avigas 115	323·8	0·0427	0·0477	0·0812	0·0521	0·0347	0·0397	0·0727	0·0439
Avigas 73	320·2	0·0432	0·0483	0·0821	0·0527	0·0350	0·0401	0·0735	0·0443
Aviation Turbine Fuel	288·4	0·0480	0·0536	0·0911	0·0585	0·0389	0·0446	0·0816	0·0492
High Speed Diesel Oil	271·7	0·0509	0·0569	0·0967	0·0621	0·0413	0·0473	0·0866	0·0523
Vapourising Oil	277·5	0·0499	0·0557	0·0947	0·0608	0·0404	0·0463	0·0848	0·0512
Furnace Oil	238·8	0·0580	0·0647	0·1101	0·0707	0·0470	0·0538	0·0985	0·0595
Light Diesel Oil	262·8	0·0527	0·0588	0·1000	0·0642	0·0427	0·0489	0·0895	0·0540

STATEMENT No. 6

Statement showing the comparative ocean losses during the years for the three major Oil Companies.

(Figures in % ages)

Companies	Burma-shell						Stanvac				Caltex					
Years	1953	1954	1953/54 Wtd.	1956	1957	1956/57 Wtd.	1951/52 Wtd.	1956	1957	1956/57 Wtd.	1953	1954	1953/54 Wtd.	1956	1957	1956/57 Wtd.
Products				@	@	@								*	*	*
(i) Motor Spirit	0·70	0·66		0·68	0·66	0·67	1·04	0·36	0·31	0.33	0·42	0·41	0·41	03·9	1·04	0·81
(ii) Kerosene Sup. . . .	0·56	0·61	0·59								0·80	0·89	0·75	0·45	0·63	0·55
(iii) Kerosene Inf. . . .	0·61	0·58	0·60	0·45	0·61	0·53	0·51	0·19	0·25	0.22						
(iv) *Aviation Spirit:—*																
100/130	0·70	0·71	0·70													
108/135 .	0·68	2·84	142	0·89	0·94	0·91		0·63	0·47	0·54						
115/145 .	0·89	0·82	0·83													
73 Clean .	0·89	3·10	2·29													
(v) Aviation Turbo Fuel . .							0·51								0·65	0·65
(vi) High Speed Diesel Oil .	0·52	0·38	0·45	0·37	0·37	0·37	0·42	0·23	0·36	0·31	0·58	0·26	0·39	0·50	0·47	0·48
(vii) Vapourising Oil . . .	0·73	0·65	0·68	0·43	0·37	0·40	..	0·33	0·40	0·35	1·14	..	1·14	0·72	1·52	1·12
(viii) Furnace Oil . . .	0·04	0·19	0·11	0·17	0·15	0·16	0·21	(—)0·10	(-)0·11	(-)0·11	..	..	..	0·22	0·36	0·32
(ix) Light Diesel Oil . . .	0·70	0·61	0·65	0·65	0·57	0·61	0·40	0·71	0·54	0·62	0·70	0·67	0·68	0·54	0·35	0·44
(x) Bitumen . . .	0·58	0·44	0·48	(—)0·66	(—)0·11	(—)0·38		0·12	0·06	0·10						

NOTE : *i.* @Notional Losses since there was no full import.
ii. * Represent % ages on values for the years
iii. No figures available for I.B.P. and B.O.C (I.T.)

Reasonable Ocean Loss % age.

(i) Motor Spirit	0·33
(ii) Kerosene Sup/Inf. . . .	0·25
(iii) Aviation Spirit	0·54
(iv) A.T.F.	0·54
(v) H.S.D. Oil	0·31
(vi) Vapourising Oil . . .	0·35
(vii) FurnaceOil	0·11
(viii) Light Diesel Oil . . .	0·44
(ix) Bitumen	0·10

STATEMENT No. 7

Statement showing the conversion factors in A.G. @ 60°F and I.G. @ 85° F for Petroleum Products.

Companies	Burmah-Shell			Stanvac			Caltex			As adopted for quantum		
Products	1956	1957	Wtd.	1956	1957	Wtd.	1956	1957	Wtd.	A.G. @ 60°.	I.G. @ 85°F.	Factor of F.O.B. per A.G. to F.O.B. per I.G.
				Conversion Factor in A.G. @ 60° F. per ton.								
(*i*) Motor Spirit 79	375·06	378·74		374·44	*376·81*		383·79	..	383·79	376·81	319·00	1.1812
(*ii*) Kerosene Sup.	341·30	343·72		341·08	*340·26*		334·18	340·68	337·38	340·26	287·06	1·1853
(*iii*) Kerosene Inf.	320·18	330·25		..	..		321·96	*323·98*	323·03	323·98	273·15	1·1861
(*iv*) Aviation Spirit 100/130	375·50	*375·42*		376·61	377·07		380·04	373·28	376·88	375·42	317·47	1·1825
,, 108/135	383·72	382·28								382·28	326·48	1·1709
,, 113/145	383·43	382·24								382·24	323·84	1·1803
,, 73 ON.	378·28	378·65								378·65	320·21	1·1825
(*v*) Aviation Trub. Fuel	..	..		341·08	*341·90*		..	389·96	339·96	341·90	288·44	1·1853
(*vi*) High Speed D. Oil	313·44	317·75		317·95	317·64		*323·10*	310·45	319·94	323·10	271·74	1·1890
(*vii*) Vapourising Oil	329·16	330·32		328·94	*328·88*		330·34	330·38	330·37	328·88	277·46	1·1853
(*viii*) Furnace Oil	231·01	*281·78*		280·76	284·01		286·33	..	286·33	281·78	238·75	1·1802
(*ix*) Light D. Oil	310·82	313·34		310·47	311·21		312·50	311·90	312·32	..	262·81	..
(*x*) Bitumen	..	..		..	..		..	..	..	..	..	..
				Conversion Factor in I. G. @ 85° F. per ton.								
(*i*) Motor Spirit 79	316·99	319·00		316·99	*319·00*		324·37	..	324·37			
(*ii*) Kerosene Superior	287·75	288·44		287·75	*287·06*		281·75	287·23	284·44			
(*iii*) Kerosene Inferior	269·04	276·71		..	..		271·44	*273·15*	272·35			
(*iv*) Avi. Gas/Spirit 100/130	317·36	*317·47*		318·92	319·31		321·20	315·49	318·52			
108/145	324·31	326·48										
115/145	324·06	323·84										
73 ON.	319·71	320·21										
(*v*) Aviation Turb. Fuel	..	..		287·75	*288·44*		..	286·62	286·62			
(*vi*) High Speed Diesel Oil	267·81	267·54		267·81	267·54		*271·74*	268·67	269·08			
(*vii*) Vapourising Oil	277·51	277·46		277·51	*277·46*		278·52	278·54	278·53			
(*viii*) Furnace Oil	236·03	*238·75*		236·03	238·75		..	..	..			
(*ix*) Light Diesel Oil.	261·40	262·02		261·40	262·02		*262·81*	262·31	262·66			
(*x*) Bitumen	..	..		..								

STATEMENT No. 8

Statement showing the comparative wharfage charges intimated by the Oil Companies at Indian Ports for Petroleum Products since 1st April, 1958

Port/Products	Selling Unit	Co.	Kandla	Okha	Bombay	Cochin 1-4-58	Cochin 8-7-58	Madras	Vizagapatnam	Calcutta
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Aviation Spirit	I.G.	B.	0·0260	..	0·0434	..	..	0·0250	..	0·0524
		S.	0·0260	..	0·0434	0·0226	0·0250	0·0253	0·0187	0·0420
		C.	(No Import)		0·0434	0·0226	0·0250	0·0253	0·0187	0·0526
		P.A.	0·0260	..	..	0·0226	0·0250	..	0·0187	..
Motor Spirit	I.G.	B.	0·260	0·0064	0·0434	0·0156	0·0188	0·0250	0·0187	0·0525
		S.	0·0260	0·0064	0·0434	0·0226	0·0250	0·0253	0·0187	0·0420
		C.	0·0260	..	0·0434	0·0226	0·0250	0·0253	0·0187	0·0526
		P.A.	0·0260	0·0064	..	0·0226	0·0250	..	0·0187	
Kerosene Superior	8 I.G.	B.	0·0833	0·0568	0·0833	0·0741	0·0741	0·0960	0·0856	0·168
		S.	0·0833	0·0565	0·0833	0·0939	0·0948	0·0931	0·0857	0·171
		C.	0·0833	..	0·0833	0·0939	0·0948	0·0931	0·0857	0·277
		P.A.	0·0833	0·0565	..	0·0939	0·0948	..	0·0856*	.. *R
H.S.D. Oil	I.G.	B.	0·0104	0·0076	0·0260	0·0073	0·0093	0·0130	0·0122	0·022
		S.	0·0104	..	0·0260	0·0099	0·0119	0·0133	0·0116	0·0214
		C.	0·0104	..	0·0260	0·0099	0·0119	0·0133	0·0122	0·0347
		P.A.	0·0104	0·0076	..	0·0098	0·0117	..	0·0122*	..
L.D. Oil	Ton	B.	2·7144	1·3572	6·7860	2·0358	2·5000	3·3930	3·1842	5·8203
		S.	2·7291	..	6·8120	2·6667	3·2000	3·4933	3·0408	5·5786
		C.	2·7323	..	6·8120	2·6667	3·2000	3·4970	3·2080	9·0900
		P.A.	2·7291	..	..	2·6667	3·2000	..	3·0000	..
Furnace Oil	Ton.	B.	2·4700	1·3518	6·1700	2·0000	2·5000	3·2000	3·0000	5·6929
		S.	2·4869	..	6·2708	2·6667	3·2000	3·2000	..	5·1221
		C.	2·5000	..	6·2500	2·6667	3·2000	3·2000	3·0000	9·7200
		P.A.	2·4800	1·3530	..	2·6667	3·2000	..	3·0000	..
Kerosene Power/Vapourising Oil.	8 I.G.	B.	0·0104	..	0·0104	..	..	0·0120	..	0·0215
		S.	0·0104	..	0·0104	0·0117	0·0118	0·0116	0·0107	0·0214
		C.	0·0104	..	0·0104	0·0117	0·0118	0·0116	0·0107	0·0347
		P.A.	0·0104	..	..	0·0117	0·0118	..	0·0107	..
Aviation Turbo. Fuel	I.G.	B.	0·0104	0·0071	0·0104	..	..	0·0120	..	0·0210
		S.	0·0104	..	0·0104	0·0117	0·0118	0·0116	..	0·021
		C.	0·0104	..	0·0104	0·0117	0·0118	0·0116	..	0·034
		P.A.	0·0104	..	..	0·0117	0·0118	..	0·0187	..

B. Burma Shell   S. Stannac   C. Caltex   P.A. Port Authorities   figure on the Conversion factors

Kerosene Inferior	8 I.G.	B.	0·0833	0·0568	0·0833	0·0741	0·0741	0·0960	0·0856	0·1714
		S.	..	..						
		C.	0·0832	..	0·0832	..	..	0·0928	..	..
		P.A.	..	..	..	..	..	..	..	0·1714
Bitumen	Ton.	B.	4·0000	1·8076	3·5000	2·2438	2·8000	4·8900	4·0320	4·3750
		S.	..	..	..	..	..	..	..	..
		C.	..	..	..	..	..	..	..	..
		P.A.	..	..	..	..	..	..	..	..

B.—Burmah-Shell.
S.—Stanvac.
C —Caltex.
P.A.—Port Authorities. (Rate divided by the conversion factors wherever necessary)

STATEMENT No. 9-A

Statement showing the Landed Cost of Petroleum Products at the various ports since 1st April, 1958

Product: Motor Spirit Per Imp Gallon in Rs.

Date	Abadan							Rastanura						
	Bombay	Okha	Calcutta	Cochin	Kandla	Madras	Vizag	Bombay	Okha	Calcutta	Cochin	Kandla	Madras	Vizag
1-4-58 to 30-6-58								1-4-58 to 30-6-58						
F.O.B.	0·5015	0·5015	0·5015	0·5015	0·5015	0·5015	0·5015	0·5127	0·5127	0·5127	0·5127	0·5127	0·5127	0·5127
Freight	0·0443	0·0496	0·0845	0·0541	0·0496	0·0845	0·0845	0·0361	0·0413	0·0757	0·0457	0·0413	0·0757	0·0757
Insurance 0·0755% on F.O.B.	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004
Ocean Loss 0·33% on C.I.F.	0·0018	0·0018	0·0019	0·0018	0·0018	0·0019	0·0019	0·0018	0·0018	0·0019	0·0018	0·0018	0·0019	0·0019
Total	0·5480	0·5533	0·5883	0·5578	0·5533	0·5883	0·5883	0·5510	0·5562	0·5907	0·5606	0·5562	0·5907	0·5907
Customs Duty	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500
Wharfage	0·0434	0·0064	0·0525	0·0156	0·0260	0·0250	0·0187	0·0434	0·0064	0·0525	0·0156	0·0260	0·0250	0·0187
Other (Statutory) Charges	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013
Landed Cost	1·8427	1·8110	1·8921	1·8247	1·8306	1·8646	1·8583	1·8457	1·8139	1·8945	1·8275	1·8335	1·8670	1·8607
1-7-58 to 16-7-58								1-7-58 to 15-7-58						
F.O.B.	0·5015	0·5015	0·5015	0·5015	0·5015	0·5015	0·5015	0·5127	0·5127	0·5127	0·5127	0·5127	0·5127	0·5127
Freight	0·0441	0·0494	0·0841	0·0539	0·0494	0·0841	0·0841	0·0350	0·0412	0·0754	0·0455	0·0412	0·0754	0·0754
Insurance 0·0755% on F.O.B.	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004
Ocean Loss @ 0·33% on C.I.F.	0·0018	0·0018	0·0019	0·0018	0·0018	0·0019	0·0019	0·0018	0·0018	0·0019	0·0018	0·0018	0·0019	0·0019
Total	0·5478	0·5531	0·5879	0·5576	0·5531	0·5879	0·5879	0·5508	0·5561	0·5904	0·5604	0·5561	0·5904	0·5904
Customs Duty	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500
Wharfage	0·0434	0·0064	0·0525	0·0188	0·0260	0·0250	0·0187	0·0434	0·0064	0·0525	0·0188	0·0260	0·0250	0·0187
Other (Statutory) Charges	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013
Landed Cost	1·8425	1·8108	1·8917	1·8277	1·8304	1·8642	1·8579	1·8455	1·8138	1·8942	1·8305	1·8334	1·8667	1·8604

16-7-58 to 30-9-58										16-7-58 to 30-9-59				
F.O.B.	0·5240	0·5240	0·5240	0·5240	0·5240	0·5240	0·5240	0·5353	0·5353	0·5353	0·5533	0·5353	0·5353	0·5353
Freight	0·0441	0·0494	0·0841	0·0539	0·0494	0·0841	0·0841	0·0359	0·0412	0·0754	0·0455	0·0412	0·0754	0·0754
Insurance 0·0755% on F.O.B.	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004
Ocean loss 0·33% on C.I.F.	0·0019	0·0019	0·0019	0·0019	0·0019	0·0029	0·0020	0·0019	0·0019	0·0020	0·0019	0·0019	0·0020	0·0020
Total	0·5704	0·5757	0·6105	0·5802	0·5757	0·6105	0·6105	0·5735	0·5788	0·6131	0·5831	0·5788	0·6131	0·6131
Customs Duty	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500
Wharfage	0·0434	0·0064	0·0525	0·0188	0·0260	0·0250	0·0187	0·0434	0·0064	0·0525	0·0188	0·0260	0·0250	0·0187
Other (Statutory) Charges	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013
Landed Cost	1·8651	1·8334	1·9143	1·8503	1·8530	1·8868	1·8805	1·8682	1·8365	1·9169	1·8532	1·8561	1·8894	1·8831

1-10-58 to 31-12-58										1-10-58 to 31-12-58				
F.O.B.	0·5240	0·5240	0·5240	0·5240	0·5240	0·5240	0·5240	0·5353	0·5353	0·5353	0·5353	0·5353	0·5353	0·5353
Freight	0·0434	0·0485	0·0824	0·0529	0·0485	0·0824	0·0824	0·0352	0·0403	0·0738	0·0445	0·0403	0·0738	0·0738
Insrance	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004
Ocean Loss 0·33% on C.I.F.	0·0019	0·0019	0·0020	0·0019	0·0019	0·0020	0·0020	0·0019	0·0019	0·0020	0·0019	0·0019	0·0020	0·0020
Total	0·5697	0·5748	0·6088	0·5792	0·5748	0·6088	0·6088	0·5728	0·5779	0·6115	0·5821	0·5779	0·6115	0·6115
Customs Duty	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500
Wharfage	0·0434	0·0064	0·0525	0·0188	0·0260	0·0250	0·0187	0·0434	0·0064	0·0525	0·0188	0·0260	0·0250	0·0187
Other (Statutory) Charges	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013	0·0013
Landed Cost	1·8644	1·8325	1·9126	1·8493	1·8521	1·8851	1·8788	1·8675	1·8356	1·9153	1·8522	1·8552	1·8878	1·8815

STATEMENT No. 9-B

Statement showing the landed cost of petroleum products at the various ports since 1st April, **1958.**

Products:—Superior Kerosene Per 8 Imp. Gallon in Rs.

Date	Abadan							Rastanura						
	Bombay	Okha	Calcutta	Cochin	Kandla	Madras	Vizag	Bombay	Okha	Calcutta	Cochin	Kandla	Madras	Vizag
1-4-58 *to* 30-6-58								1-4-58 *to* 30-6-58						
F.O.B.	0·5088	0·5088	0·5088	0·5088	0·5088	0·5088	0·5088	0·5204	0·5204	0·5204	0·5204	0·5204	0·5204	0·5204
Freight	0·0492	0·0551	0·0938	0·0601	0·0551	0·0938	0·0938	0·0401	0·0459	0·0841	0·0508	0·0459	0·0841	0·0841
Insurance @ 0·07551% on F.O.B.	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004
Ocean Less @ 0·25% on C.I.F.	0·0014	0·0014	0·0015	0·0014	0·0014	0·0015	0·0015	0·0014	0·0014	0·0015	0·0014	0·0014	0·0015	0·0015
Total	0·5598	0·5657	0·6045	0·5707	0·5657	0·6045	0·6045	0·5623	0·5681	0·6064	0·5730	0·5681	0·6064	0·6064
Customs Duty	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875
Wharfage	0·0104	0·0071	0·0210	0·0093	0·0104	0·0120	0·0107	0·0104	0·0071	0·0210	0·0093	0·0104	0·0120	0·0107
Other Statutory Charges	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007
Landed Cost per I.G.	0·7584	0·7610	0·8137	0·7682	0·7643	0·8047	0·0834	0·7609	0·7634	0·8156	0·7705	0·7667	0·8066	0·8053
Landed Cost per 8 I.G.	6·0672	6·0880	6·5096	6·1456	6·1144	6·4376	6·4272	6·0862	6·1072	6·5248	6·1640	6·1336	6·4528	6·4424
1-7-58 *to* 11-8-58								1-7-58 *to* 11-8-58 :						
F.O.B.	0·5088	0·5088	0·5088	0·5088	0·5088	0·5088	0·5088	0·5204	0·5204	0·5204	0·5204	0·5204	0·5204	0·5204
Freight	0·0490	0·0549	0·0934	0·0599	0·0549	0·0934	0·0934	0·0399	0·0457	0·0837	0·0506	0·0457	0·0837	0·0837
Insurance @ 0·0755% on F.O.B.	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004
Ocean Loss @ 0·25% on C.I.F.	0·0014	0·0014	0·0015	0·0014	0·0014	0·0015	0·0015	0·0014	0·0014	0·0015	0·0014	0·0014	0·0015	0·0015
Total	0·5596	0·5655	0·6041	0·5705	0·5655	0·6041	0·6041	0·5621	0·5679	0·6060	0·5723	0·5679	0·6060	0·6060
Customs Duty	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875
Wharfage	0·0104	0·0071	0·0210	0·0093	0·0104	0·0120	0·0107	0·0104	0·0071	0·0210	0·0093	0·0104	0·0120	0·0107
Other Statutory Charges	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007
Landed Cost per I.G.	0·7582	0·7608	0·8133	0·7680	0·7641	0·8043	0·8030	0·7607	0·7632	0·8152	0·7703	0·7665	0·8062	0·8049
Landed cost per 8 I.G.	6·0656	6·0864	6·5064	6·1440	6·1123	6·4344	6·4240	6·0856	6·1056	6·5216	6·1624	6·1320	6·4496	6·4392
12-8-58 *to* 30-9-58								12-8-58 *to* 30-9-59						
F.O.B.	0·5201	0·5201	0·5201	0·5201	0·5201	0·5201	0·5201	0·5300	0·5300	0·5300	0·5300	0·5300	0·5300	0·5300
Freight	0·0490	0·0549	0·0934	0·0599	0·0549	0·0934	0·0934	0·0399	0·0457	0·0837	0·0506	0·0457	0·0837	0·083
Insurance @ 0·0755% on F.O.B.	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004
Ocean Loss @0·25% on C.I.F.	0·0014	0·0014	0·0015	0·0015	0·0014	0·0015	0·0015	0·0014	0·0014	0·0015	0·0015	0·0014	0·0015	0·0015
Total	0·5709	0·5768	0·6154	0·5819	0·5768	0·6154	0·6154	0·5717	0·5775	0·6156	0·5825	0·5775	0·6156	0·6156

Customs Duty	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875
Wharfage	0·0104	0·0071	0·0210	0·0093	0·0104	0·0120	0·0107	0·0104	0·0071	0·0210	0·0093	0·0104	0·0120	0·0107
Other Statutory Charges	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007
Landed cost per I.G.	0·7695	0·7721	0·8246	0·7794	0·7754	0·8156	0·8143	0·7703	0·7728	0·8248	0·7800	0·7761	0·8158	0·8145
Landed cost per 8 I.G.	6·1560	6·1768	6·5968	6·2352	6·2032	6·5248	6·5144	6·1624	6·1824	6·5984	6·2400	6·2088	6·5264	6·5160
1-10-58 *to* 9-12-58								1-10-58 *to* 9-12-58						
F.O.B.	0·5201	0·5201	0·5201	0·5201	0·5201	0·5201	0·5201	0·5300	0·5300	0·5300	0·5300	0·5300	0·5300	0·5300
Freight	0·0482	0·0533	0·0915	0·0588	0·0538	0·0915	0·0915	0·0391	0·0448	0·0820	0·0495	0·0448	0·0820	0·0820
Insurance @ 0·0755% on F.O.B.	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004
Ocean Loss @ 0·25% on C.I.F.	0·0014	0·0014	0·0015	0·0014	0·0014	0·0015	0·0015	0·0014	0·0014	0·0015	0·0014	0·0014	0·0015	0·0015
Total	0·5701	0·5757	0·6135	0·5807	0·5757	0·6135	0·6135	0·5709	0·5766	0·6139	0·5813	0·5766	0·6139	0·6139
Customs Duty	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875
Wharfage	0·0104	0·0071	0·0210	0·0093	0·0104	0·0120	0·0107	0·0104	0·0071	0·0210	0·0093	0·0104	0·0120	0·0107
Other Statutory Charges	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007
Landed cost per I.G.	0·7687	0·7710	0·8227	0·7782	0·7743	0·8137	0·8124	0·7695	0·7719	0·8221	0·7788	0·7752	0·8141	0·8128
Landed cost per 8 I.G.	6·1496	6·1680	6·5816	6·2256	6·1944	6·5096	6·4992	6·1560	6·1752	6·5848	6·2304	6·2016	6·5128	6·5024
10-12-58 *to* 31-12-58								10-12-58 *to* 31-12-58						
F.O B.	0·5314	0·5314	0·5314	0·5314	0·5314	0·5314	0·5314	0·5428	0·5423	0·5428	0·5423	0·5428	0·5428	0·5428
Freight	0·0482	0·0533	0·0915	0·0588	0·0538	0·0915	0·0915	0·0391	0·0448	0·0820	0·0495	0·0448	0·0820	0·0820
Insurance @ 0·0755% on F.O.B.	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004
Ocean Loss @ 0·25% on C.I.F.	0·0015	0·0015	0·0016	0·0015	0·0015	0·0016	0·0016	0·0015	0·0015	0·0016	0·0015	0·0015	0·0016	0·0016
Total	0·5815	0·5871	0·6249	0·5921	0·5871	0·6249	0·6249	0·5838	0·5895	0·6268	0·5942	0·5895	0·6268	0·6268
Customs Duty	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875
Wharfage	0·0104	0·0071	0·0210	0·0093	0·0104	0·0120	0·0107	0·0104	0·0071	0·0210	0·0093	0·0104	0·0120	0·0107
Other Statutory Charges	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007
Landed cost per I.G.	0·7801	0·7824	0·8341	0·7896	0·7857	0·8251	0·8238	0·7824	0·7848	0·8360	0·7917	0·7881	0·8270	0·8257
Landed Cost per 8 I.G.	6·2408	6·2592	6·6728	6·3168	6·2856	6·6008	6·5904	6·2592	6·2784	6·6880	6·3336	6·3048	6·6160	6·6056

STATEMENT No. 9-C.

Statement showing the landed cost of petroleum products at the various ports since 1st, April, 1958.

Product: Inferior Kerosene Price per 8I.G. in rupees.

	Abadan							Rastanura						
	Bombay	Okha	Calcutta	Cochin	Kandla	Madras	Vizag	Bombay	Okha	Calcutta	Cochin	Kandla	Madras	Vizag
1-4-58 to 30-6-58 :														
1. F.O.B.	0·4866	0·4866	0·4866	0·4866	0·4866	0·4866	0·4866	0·4979	0·4979	0·4979	0·4979	0·4979	0·4979	0·4979
2. Freight	0·0517	0·0579	0·0986	0·0632	0·0579	0·0986	0·0986	0·0422	0·0483	0·0884	0·0534	0·0483	0·0884	0·0884
3. Insurance @ 0·0755%	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004
4. Ocean Loss @ 0·25% on C.I.F.	0·0013	0·0014	0·0015	0·0014	0·0014	0·0015	0·0015	0·0014	0·0014	0·0015	0·0014	0·0014	0·0015	0·0015
5. C.I.F. Total	0·5400	0·5463	0·5871	0·5516	0·5463	0·5871	0·5871	0·5419	0·5480	0·5882	0·5531	0·5480	0·5882	0·5882
6. Customs Duty	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875
7. Wharfage	0·0104	0·0071	0·0214	0·0093	0·0104	0·0120	0·0107	0·0104	0·0071	0·0214	0·0093	0·0104	0·0120	0·0107
8. Other Statutory charges	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007
9. Landed cost I.G.	0·7386	0·7416	0·7967	0·7491	0·7449	0·7873	0·7860	0·7405	0·7433	0·7978	0·7506	0·7466	0·7884	0·7871
10. Landed cost 8 I.G.	5·9088	5·9328	6·3736	5·9928	5·9592	6·2984	6·2880	5·9240	5·9464	6·3824	6·0048	5·9723	6·3072	6·2966
1-7-58 to 11-8-58 :								1-6-58 to 10-8-58						
F.O.B.	0·4866	0·4866	0·4866	0·4866	0·4866	0·4866	0·4866	0·4979	0·4979	0·4979	0·4979	0·4979	0·4979	0·4979
Freight	0·0515	0·0577	0·0982	0·0630	0·0577	0·0982	0·0982	0·0419	0·0481	0·0880	0·0531	0·0481	0·0880	0·0880
Insurance @ 0·0755%	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004
Ocean loss @ 0·25% on C.I.F.	0·0013	0·0014	0·0015	0·0014	0·0014	0·0015	0·0015	0·0014	0·0014	0·0015	0·0014	0·0014	0·0015	0·0015
C.I.F. Total	0·5898	0·5461	0·5867	0·5514	0·5461	0·5867	0·5867	0·5416	0·5478	0·5878	0·5528	0·5478	0·5878	0·5878
Customs Duty	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875
Wharfage	0·0104	0·0071	0·0214	0·0093	0·0104	0·0120	0·0107	0·0104	0·0071	0·0214	0·0093	0·0104	0·0120	0·0107
Other statutory charges	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007
Landed cost I.G.	0·7384	0·7414	0·7963	0·7489	0·7447	0·7869	0·7856	0·7402	0·7431	0·7974	0·7503	0·7464	0·7880	0·7867
Landed cost 8 I.G.	5·9072	5·9312	6·3704	5·9912	5·9576	6·2952	6·2848	5·9216	5·9448	6·3792	6·0024	5·9712	6·3040	6·2936
12-8-58 to 30-9-58 :								11-8-58 to 30-9-58						
F.O.B.	0·5035	0·5035	0·5035	0·5035	0·5035	0·5035	0·5035	0·5148	0·5148	0·5148	0·5148	0·5148	0·5148	0·5148
Freight	0·0515	0·0577	0·0982	0·0630	0·0577	0·0982	0·0982	0·0419	0·0481	0·0880	0·0531	0·0481	0·0880	0·0880
Insurance @ 0·0755%	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004
Ocean loss @ 0·25% on C.I.F.	0·0014	0·0014	0·0015	0·0014	0·0014	0·0015	0·0015	0·0014	0·0014	0·0015	0·0014	0·0014	0·0015	0·0015
C.I.F. Total	0·5588	0·5630	0·6036	0·5683	0·5630	0·6036	0·6036	0·5585	0·5647	0·6047	0·5697	0·5647	0·6047	0·6047

Customs Duty	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875
Wharfage	0·0104	0·0071	0·0214	0·0093	0·0104	0·0120	0·0107	0·0104	0·0071	0·0214	0·0093	0·0104	0·0120	0·0107	
Other Statutory charges	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	
Landed cost I.G.	0·7554	0·7583	0·8132	0·7658	0·7616	0·8038	0·8025	0·7571	0·7600	0·8143	0·7672	0·7633	0·8049	0·8036	
Landed cost 8 I.G.	6·0432	6·0664	6·5056	6·1264	6·0928	6·4304	6·4200	6·0568	6·0800	6·5144	6·1376	6·1064	6·4392	6·4288	
1-10-58 to 31-12-58 :									1-10-58 to 31-12-58						
F.O.B.	0·5035	0·5035	0·5035	0·5035	0·5035	0·5035	0·5035	0·5148	0·5148	0·5148	0·5148	0·5148	0·5148	0·5148	
Freight	0·0507	0·0560	0·0962	0·0618	0·0566	0·0962	0·0962	0·0411	0·0470	0·0861	0·0520	0·0470	0·0861	0·0861	
Insurance @ 0·0755% on F.O.B.	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	
Ocean Loss @ 0·25% on C.I.F.	0·0014	0·0014	0·0015	0·0014	0·0014	0·0015	0·0015	0·0014	0·0014	0·0015	0·0014	0·0014	0·0015	0·0015	
Total	0·5560	0·5619	0·6016	0·5671	0·5619	0·6016	0·6016	0·5577	0·5636	0·6028	0·5686	0·5636	0·6028	0·6028	
Customs Duty	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	
Wharfage	0·0104	0·0071	0·0214	0·0093	0·0104	0·0120	0·0107	0·0104	0·0071	0·0214	0·0093	0·0104	0·0120	0·0107	
Other Statutory Charges	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	
Landed cost I.G.	0·7546	0·7572	0·8112	0·7646	0·7605	0·8018	0·8005	0·7563	0·7589	0·8124	0·7661	0·7622	0·8030	0·8017	
Landed cost 8 I.G.	6·0368	6·0576	6·4896	6·1168	6·0840	6·4144	6·4040	6·0504	6·0712	6·4992	6·1288	6·0976	6·4240	6·4136	

STATEMENT No. 9-D

Statement showing the Landed cost of Petroleum Products at the various Ports since 1st April 58

Product: Aviation Spirit 100/130 per Imp. gallons in Rupees

(Landed Cost ex-Abadan only given since there is no quotation at Ras Tanura)

Date	Abadan					
	Bombay	Calcutta	Cochin	Kandla	Madras	Vizag.
1-4-58 to 2-5-58						
F.O.B.	0·9307	0·9307	0·9307	0·9307	0·9307	0·9307
Freight	0·0445	0·0849	0·0544	0·0498	0·0849	0·0849
Insurance @ 0·0755%	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007
Ocean Loss @ 0·54% on C.I.F.	0·0053	0·0055	0·0053	0·0053	0·0055	0·0055
TOTAL	0·9812	1·0218	0·9911	0·9865	1·0218	1·0218
Customs Duty	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500
Wharfage	0·0434	0·0524	0·0226	0·0260	0·0250	0·0187
Other Statutory Charges	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012
Landed Cost	2·2758	2·3254	2·2649	2·2637	2·2980	2·2917
3-5-58 to 5-5-58						
F.O.B.	0·9138	0·9138	0·9138	0·9138	0·9138	0·9138
Freight	0·0445	0·0849	0·0544	0·0498	0·0849	0·0849
Insurance @ 0·0755% on F.O.B.	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007
Ocean Loss @ 0·54% on C.I.F.	0·0052	0·0052	0·0052	0·0052	0·0054	0·0054
TOTAL	0·9642	1·0048	0·9741	0·9695	1·0048	1·0048
Customs Duty	1·2500	1·2350	1·2500	1·2500	1·2500	1·2500
Wharfage	0·0434	0·0524	0·0226	0·0260	0·0250	0·0187
Other Statutory Charges	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012
Landed Cost	2·2588	2·3084	2·2479	2·2467	2·2810	2·2747
6-5-58 to 15-6-58						
F.O.B.	0·9025	0·9025	0·9025	0·9025	0·9025	0·9025
Freight	0·0445	0·0849	0·0544	0·0498	0·0849	0·0849
Insurance	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007
Ocean Loss @ 0·54% on C.I.F.	0·0051	0·0053	0·0052	0·0051	0·0053	0·0053
TOTAL	0·9528	0·9934	0·9628	0·9581	0·9934	0·9934
Customs Duty	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500
Wharfage	0·0434	0·0524	0·0226	0·0260	0·0250	0·0187
Other Statutory Charges	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012
Landed Cost	2·2474	2·2970	2·2366	2·2353	2·2696	2·2633

Date	Abadan					
	Bombay	Calcutta	Cochin	Kandla	Madras	Vizag.
16-6-58 to 30-6-58						
F.O.B.	0·9138	0·9138	0·9138	0·9138	0·9138	0·9138
Freight	0·0445	0·0849	0·0544	0·0498	0·0849	0·0849
Insurance @ 0·0755%	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007
Ocean Loss @ 0·54% on C.I.F.	0·0052	0·0054	0·0052	0·0052	0·0054	0·0054
TOTAL	0·9642	1·0048	0·9741	0·9695	1·0048	1·0048
Customs Duty	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500
Wharfage	0·0434	0·0524	0·0226	0·0260	0·0250	0·0187
Other Statutory Charges	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012
Landed Cost	2·2588	2·3084	2·2479	2·2467	2·2810	2·2747
1-7-58 to 30-9-58						
F.O.B.	0·9138	0·9138	0·9138	0·9138	0·9138	0·9138
Freight	0·0443	0·0845	0·0542	0·0496	0·0845	0·0845
Insurance @ 0·0755% on F.O.B.	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007
Ocean Loss @ 0·54% on C.I.F.	0·0052	0·0054	0·0052	0·0052	0·0054	0·0054
TOTAL	0·9640	1·0044	0·9739	0·9693	1·0044	1·0044
Customs Duty	1·2500	1·2500	1·2500	1·2500	1·5200	1·2500
Wharfage	0·0434	0·0524	0·0250	0·0260	0·0250	0·0187
Other Statutory Charges	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012
Landed Cost	2·2586	2·3080	2·2501	2·2465	2·2806	2·2743
1-10-58 to 31-12-58						
F.O.B.	0·9138	0·9138	0·9138	0·9138	0·9138	0·9138
Freight	0·0436	0·0828	0·0532	0·0487	0·0828	0·0828
Insurance	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007
Ocean Loss @ 0·54% on C.I.F.	0·0052	0·0054	0·0052	0·0052	0·0054	0·0054
TOTAL	0·9633	1·0027	0·9729	0·9684	1·0027	1·0027
Customs Duty	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500
Wharfage	0·0434	0·0524	0·0250	0·0260	0·0250	0·0187
Other Statutory Charges	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012
Landed Cost	2·2579	2·3063	2·2491	2·2456	2·2789	2·2726

Statement No. 9-E

Statement showing the Landed Cost of Petroleum Products at the various Ports since 1st April, 1958
Product : Aviation Spirit 115/145 per Imp. gallons in Rupees.
(Landed Cost ex-Abadan only given since there is no quotation at Ras Tanura)

Date	Abadan						Abadan					
	Bombay	Calcutta	Cochin	Kandla	Madras	Vizag.	Bombay	Calcutta	Cochin	Kandla	Madras	Vizag.
1-4-58 to 2-5-58							16-6-58 to 30-6-58					
F.O.B.	1·0022	1·0022	1·0022	1·0022	1·0022	1·0022	0·9853	0·9853	0·9853	0·9853	0·9853	0·9853
Freight	0·0436	0·0832	0·0533	0·0488	0·0832	0·0832	0·0436	0·0832	0·0533	0·0488	0·0832	0·0832
Insurance @ 0·0755%	0·0008	0·0008	0·0008	0·0008	0·0008	0·0008	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007
Ocean Loss @0·54% on C.I.F.	0·0057	0·0059	0·0057	0·0057	0·0059	0·0059	0·0056	0·0056	0·0056	0·0056	0·0058	0·0058
TOTAL	1·0523	1·0921	1·0620	1·0575	1·0921	1·0921	1·0352	1·0750	1·0449	1·0404	1·0750	1·0750
Customs Duty	1·2500	1·2500	1·2500	1·2500	1·2500	1.2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500
Wharfage	0·0434	0·0524	0·0226	0·0260	0·0250	0·0187	0·0434	0·0524	0·0226	0·0260	0·0250	0·0181
Other Statutory Charges	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012
Landed Cost	2·3469	2·3957	2·3358	2·3347	2·3683	2·3620	2·3298	2·3786	2·3187	2·3176	2·3512	2·3449
3-5-58 to 5-5-58							1-7-58 to 30-9-58					
F.O.B.	0·9853	0·9853	0·9853	0·9853	0·9853	0·9853	0·9853	0·9853	0·9853	0·9853	0·9853	0·9853
Freight	0·0436	0·0832	0·0533	0·0488	0·0832	0·0832	0·0435	0·0828	0·0531	0·0486	0·0828	0·0828
Insurance @ 0·755% F.O.B	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007
Ocean Loss @ 0·54% on C.I.F.	0·0056	0·0058	0·0056	0·0056	0·0058	0·0058	0·0056	0·0056	0·0056	0·0056	0·0058	0·0058
TOTAL	1·0352	1·0750	1·0449	1·0404	1·0750	1·0750	1.0351	1·0746	1·0447	1·0402	1·0746	1·0746
Customs Duty	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500
Wharfage	0·0434	0·0524	0·0226	0·0260	0·0250	0·0187	0·0434	0·0524	0·0250	0·0260	0·0250	0·0187
Other Statutory Charges	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012
Landed Cost	2·3298	2·3786	2·3187	2·3176	2·3512	2·3449	2·3297	2·3782	2·3209	2·3174	2·3508	2·3445
6-5-58 to 15-6-58							1-10-58 to 31-12-58					
F.O.B.	0·9740	0·9740	0·9740	0·9740	0·9740	0·9740	0·9853	0·9853	0·9853	0·9853	0·9853	0·9853
Freight	0·0436	0·0832	0·0533	0·0488	0·0832	0·0832	0·0427	0·0812	0·0521	0·0477	0·0812	0·0812
Insurance @ 0·0755% on F.O.B.	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007
Ocean Loss @ 0·54 %C.I.F.	0·0055	0·0057	0·0056	0·0055	0·0057	0·0057	0·0056	0·0058	0·0056	0·0056	0·0058	0·0058
TOTAL	1·0238	1·0636	1·0336	1·0290	1·0636	1·0636	0·0343	1·0730	1·0437	1·0393	1·0730	1·0730
Customs Duty	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500
Wharfage	0·0434	0·0524	0·0226	0·0260	0·0250	0·0187	0·0434	0·0524	0·0250	0·0260	0·0250	0·0187
Other Statutory Charges	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012
Landed Cost	2·3184	2·3672	2·3074	2·3062	2·3398	2·3335	2·3289	2·3766	2·3199	2·3165	2·3492	2·3429

STATEMENT No. 9–F

Statement showing the landed cost of petroleum products at the various ports since 1st April 1958

Product : Aviation Spirit 108/135 Clear per Imp. gallon in Rupees

(Landed cost ex-Abadan only given since there is no quotation at Ras Tanura)

Date	Abadan						Abadan					
	Bombay	Calcutta	Cochin	Kandla	Madras	Vizag.	Bombay	Calcutta	Cochin	Kandla	Madras	Vizag.
1-4-58 to 2-5-58								16-6-58 to 30-6-58				
B.	0·9942	0·9942	0·9942	0·9942	0·9942	0·9942	0·9774	0·9774	0·9774	0·9774	0·9774	0·9774
ht	0·0433	0·0825	0·0529	0·0484	0·0825	0·0825	0·0433	0·0825	0·0529	0·0484	0·0825	0·0825
ance @0·7055 % on F.O.B.	0·0008	0·0008	0·0008	0·0008	0·0008	0·0008	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007
n Loss @0·54% on C.I.F.	0·0056	0·0058	0·0057	0·0056	0·0058	0·0058	0·0055	0·0056	0·0056	0·0055	0·0057	0·0057
	1·0439	1·0833	1·0536	1·0490	1·0833	1·0833	1·0269	1·0663	1·0366	1·0320	1·0663	1·0663
ms Duty	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500
fage	0·0434	0·0524	0·0226	0·0260	0·0250	0·0187	0·0434	0·0524	0·0226	0·0260	0·0250	0·0187
Statutory Charges	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012
d Cost	2·3385	2·3869	2·3274	2·3262	2·3595	2·3532	2·3215	2·3699	2·3104	2·0092	2·3425	2·3362
5-58 to 5-5-58								1-7-58 to 30-9-58				
	0·9774	0·9774	0·9774	0·9774	0·9774	0·9774	0·9774	0·9774	0·9774	0·9774	0·9774	0·9774
it	0·0433	0·0825	0·0529	0·0484	0·0825	0·0825	0·0431	0·0821	0·0527	0·0482	0·0821	0·0821
nce@0·0755% on F.O.B.	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007
Loss @0·54% on C.I.F.	0·0055	0·0057	0·0056	0·0055	0·0057	0·0057	0·0055	0·0057	0·0056	0·0055	0·0057	0·0057
	1·0269	1·0663	1·0366	1·0320	1·0663	1·0663	1·0267	1·0659	1·0364	1·0318	1·0659	1·0659
ns Duty	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1.2500
age	0·0434	0·0524	0·0226	0·0260	0·0250	0·0187	0·0434	0·0524	0·0250	0·0260	0·0250	0·0187
Statutory Charges	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012
l Cost	2·3215	2·3699	2·3104	2·3092	2·3425	2·3362	2·3213	2·3695	2·3126	2·3090	2·3421	2·3358
3 to 15-6-58								1-10-58 to 31-12-58				
	0·9662	0·9662	0·9662	0·9662	0·9662	0·9662	0·9774	0·9774	0·9774	0·9774	0·9774	0·9774
	0·0433	0·0825	0·0529	0·0484	0·0825	0·0825	0·0424	0·0805	0·0517	0·0474	0·0805	0·0805
ice@0·755% on F.O.B.	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007	0·0007
Loss %0·054 on C.I.F.	0·0055	0·0057	0·0055	0·0055	0·0057	0·0057	0·0055	0·0057	0·0056	0·0055	0·0057	0·0057
tal	1·0157	1·0551	1·0253	1·0208	1·0551	1·0551	1·0260	1·0642	1·0354	1·0310	1·0643	1·0643
s Duty	1·2500	1·2500	1·2500	1·2500	1·2500	1.2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500
ge	0.0434	0·0524	0·0226	0·0260	0·0250	0·0187	0·0434	0·0524	0·0250	0·0260	0·0250	0·0187
Statutory Charges	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012
Cost	2·3103	2·3587	2·2991	2·2980								

STATEMENT No. 9-G

Statement showing the landed cost of petroleum products at the various ports since 1st April, 1958

Products : Avaition Spirit 73 O.N. Clear per Imp. Gallons in Rupees.

(Landed cost ex-Abadan only given since there is no quotation at Ras Tanura)

	Abadan						Abadan					
	Bombay	Calcutta	Cochin	Kandla	Madras	Vizag.	Bombay	Calcutta	Cochin	Kandla	Madras	Vizag.
1-4-58 to 2-5-58							16-6-58 to 30-6-58					
F.O.B.	0·8179	0·8179	0·8179	0·8179	0·8179	0·8179	0·8010	0·0810	0·8010	0·8010	0·8010	0·8010
Freight	0·0441	0·0841	0·0539	0·0494	0·0841	0·0841	0·0441	0·0841	0·0539	0·0494	0·0841	0·0841
Insurance @0·755% on F.O.B.	0·0006	0·0006	0·0006	0·0006	0·0006	0·0006	0·0006	0·0006	0·0006	0·0006	0·0006	0·0006
Ocean Loss @ 0·54% on C.I.F.	0·0047	0·0049	0·0047	0·0047	0·0049	0·0049	0·0046	0·0048	0·0046	0·0046	0·0048	0·0048
Total	0·8673	0·9075	0·8771	0·8726	0·9075	0·9075	0·8503	0·8905	0·8601	0·8556	0·8905	0·8905
Customs Duty	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500
Wharfage	0·0434	0·0524	0·0226	0·0260	0·0250	0·0187	0·0434	0·0524	0·0226	0·0260	0·0250	0·0187
Other Statutory chages	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012
Landed Cost	2·1619	2·2111	2·1509	2·1498	2·1837	2·1774	2·1449	2·1941	2·1339	2·1328	2·1667	2·1604
3-5-58 to 5-5-58							1-7-58 to 30-9-58					
F.O.B.	0·8010	0·8010	0·8010	0·0810	0·8010	0·8010	0·8010	0·8010	0·8010	0·8010	0·8010	0·8010
Freight	0·0441	0·0841	0·0539	0·0494	0·0841	0·0841	0·0440	0·0838	0·0537	0·0492	0·0838	0·0838
Insurance @ 0·0755% on	0·0006	0·0006	0·0006	0·0006	0·0006	0·0006	0·0006	0·0006	0·0006	0·0006	0·0006	0·0006
Ocean Loss @ 0·54 on C.I.F.	0·0046	0·0048	0·0046	0·0046	0·0048	0·0048	0·0046	0·0048	0·0046	0·0046	0·0048	0·0048
Total	0·8503	0·8905	0·8601	0·8556	0·8905	0·8905	0·8502	0·8902	0·8599	0·8554	0·8902	0·8902
Customs Duty	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500
Wharfage	0·0434	0·0524	0·0226	0·0260	0·0250	0·0187	0·0434	0·0524	0·0250	0·0260	0·0250	0·0187
Other Statutory Charges	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012
Landed Cost	2·1449	2·1941	2·1339	2·1328	2·1667	2·1604	2·1448	2·1938	2·1361	2·1326	2·1664	2·1601
6-5-58 to 15-6-58							1-10-58 to 31-12-58					
F.O.B.	0·7897	0·7897	0·7897	0·7897	0·7897	0·7897	0·8010	0·8010	0·8010	0·8010	0·8010	0·8010
Freight	0·0441	0·0841	0·0539	0·0494	0·0841	0·0841	0·0432	0·0821	0·0527	0·0483	0·0821	0·0821
Insurance @0·0755% on F.O.B.	0·0006	0·0006	0·0006	0·0006	0·0006	0·0006	0·0006	0·0006	0·0006	0·0006	0·0006	0·0006
Ocean Loss @ 0·54% on C.I.F.	0·0045	0·0047	0·0046	0·0045	0·0047	0·0047	0·0046	0·0048	0·0046	0·0048	0·0048	0·0048
Total	0·8389	0·8791	0·8488	0·8442	0·8791	0·8791	0·8494	0·8885	0·8589	0·8545	0·8885	0·8885
Customs Duty	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500	1·2500
Wharfage	0·0434	0·0524	0·0226	0·0260	0·0250	0·0187	0·0434	0·0524	0·0250	0·0260	0·0250	0·0187
Other Statutory Charges	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012	0·0012
Landed Cost	2·1335	2.1827	2·1226	2·1214	2·1553	2·1490	2·1440	2·1921	2·1351	2·1317	2·1647	2·1584

STATEMENT No. 9-H

Statement showing the landed cost of petroleum products at the various Ports since 1st April 1958.

Product: Avaition Turbine Fuel per Imp Gallon in Rs.

Date	Abadan							Rastanura						
	Bombay	Okha	Calcutta	Cochin	Kandla	Madras	Vizag.	Bombay	Okha	Calcutta	Cochin	Kandla	Madras	Vizag.
1-4-58 to 30-6-58												1-4-58 to 30-6-58		
F.O.B.	0·5145	·05145	0·5145	0·5145	0·5145	0·5145	0·5145	0·5315	0·5315	0·5315	0·5315	0·5315	0·5315	0·5315
Freight	0·0490	0·0548	0·0934	0·0508	0·0548	0·0934	0·0934	0·0399	0·0457	0·0837	0·0506	0·0457	0·0837	0·0837
Insurance @ 0·0755% on F.O.B.	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004
Ocean Loss @ 0·54% on CIF	0·0030	0·0031	0·0033	0·0031	0·0031	0·0033	0·0033	0·0031	0·0031	0·0033	0·0031	0·0031	0·0033	0·0033
TOTAL	0·5669	0·5728	0·6116	0·5778	0·5728	0·6116	0·6116	0·5749	0·5807	0·6189	0·5856	0·5807	0·6189	0·6199
Customs Duty	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875
Wharfage	0·0104	0·0071	0·0210	0·0117	0·0104	0·0116	0·0210	0·0104	0·0071	0·0210	0·0117	0·0104	0·00116	0·0210
Other (Statutory) Charges	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018
Landed Cost	0·7666	0·7692	0·8219	0·7788	0·7725	0·8125	0·8219	0·7746	0·7771	0·8292	0·7866	0·7804	0·8198	0·8292
1-7-58 to 11-8-58												1-7-58 to 10-8-58		
F.O.B.	0·5145	0·5145	0·5145	0·5145	0·5145	0·5145	0·5145	0·5315	0·5315	0·5315	0·5315	0·5315	0·5315	0·5315
Freight	0·0488	0·0546	0·0930	0·0596	0·0546	0·0930	0·0930	0·0397	0·0455	0·0834	0·0503	0·0455	0·0834	0·0834
Insurance @ 0·0755% on F.O.B.	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004
Ocean Loss @ 0·54% on C.I.F.	0·0030	0·0031	0·0033	0·0031	0·0031	0·0033	0·0033	0·0031	0·0031	0·0033	0·0031	0·0031	0·0033	0·0033
TOTAL	0·5667	0·5726	0·6112	0·5776	0·5726	0·6112	0·6112	0·5747	0·5805	0·6186	0·5853	0·5805	0·6186	0·6186
Customs Duty	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0 ·1875	0·1875
Wharfage	0·0104	0·0071	0·0210	0·0118	0·0104	0·0116	0·0210	0·0104	0·0071	0·0210	0·0118	0·0104	0·0116	0·0210
Other (Statutory) Charges	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018
Landed Cost	0·7664	0·7690	0·8215	0·7787	0·7723	0·8121	0·8215	0·7744	0·7769	0·8289	0·7864	0·7802	0·8195	0·8289
12-9-58 to 30-9-58											11-8-58 to 30-9-58			
F.O.B.	0·5315	0·5315	0·5315	0·5315	0·5315	0·5315	0·5315	0·5428	0·5428	0·5428	0·5428	0·5428	0·5428	0·5428
Freight	0·0488	0·0546	0·0930	0·0596	0·0546	0·0930	0·0930	0·0397	0·0455	0·0834	0·0503	0·0455	0·0834	0·0834
Insurance @ 0·0755 on F.O.B.	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004
Ocean Loss @ 0·54% on C.I.F.	0·0031	0·0032	0·0034	0·0032	0·0032	0·0034	0·0034	0·0031	0·0032	0·0034	0·0032	0·0032	0·0034	0·0034
TOTAL	0·5838	0·5897	0·6283	0·5947	0·5897	0·6283	0·6283	0·5860	0·5919	0·6300	0·5967	0·5919	0·6300	0·6300
Customs Duty	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875
Wharfage	0·0104	0·0071	0·0210	0·0118	0·0104	0·0116	0·0210	0·0104	0·0071	0·0210	0·0118	0·0104	0·0116	0·0210
Other (Statutory) Charges)	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018
Landed Cost	0·7835	0·7861	0·8386	0·7958	0·7894	0·8292	0·8386	0·7857	0·7883	0·8403	0·7978	0·7916	0·8309	0·8403

1-10-58 to 9-12-58

1-10-58 to 9-12-58

F.O.B.	0·5315	0·5315	0·5315	0·5315	0·5315	0·5315	0·5315	0·5428	0·5428	0·5428	0·5428	0·5428	0·5428	0·5428
Freight	0·0480	0·0536	0·0911	0·0585	0·0536	0·0911	0·6911	0·0389	0·0446	0·0816	0·0492	0·0446	0·0816	0·0816
Insurance @ 0·0755% on F.OB.	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004
Ocean Loss @ 0·54% on C.I.F.	0·0031	0·0032	0·0034	0·0032	0·0032	0·0034	0·0034	0·0031	0·0032	0·0034	0·0032	0·0032	0·0034	0·0034
TOTAL	0·5830	0·5887	0·6264	0·5936	0·5887	0·6264	0·6264	0·5852	0·5910	0·6282	0·5956	0·5910	0·6282	0·6282
Customs Duty	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875
Wharfage	0·0104	0·0071	0·0210	0·0118	0·0104	0·0116	0·0210	0·0104	0·0071	0·0210	0·0118	0·0104	0·0116	0·0210
Other (Statutory) Charges	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018
Landed Cost	0·7827	0·7851	0·8367	0·7947	0·7884	0·8273	0·8367	0·7849	0·7874	0·8385	0·7967	0·7907	0·8291	0·8385

10-12-58 to 31-12-58

10-12-58 to 31-12-58

F.O.B.	0·5428	0·5428	0·5428	0·05428	0·5428	0·5428	0·5428	0·5541	0·5541	0·5541	0·5541	0·5541	0·5541	0·5541
Freight	0·0480	0·0536	0·0911	0·0585	0·0536	0·0911	0·0911	0·0389	0·0446	0·0816	0·0492	0·0446	0·0816	0·0816
Insurance @ 0·0755% on F.O.B.	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004
Ocean Loss @ 0·54% on C.I.F.	0·0032	0·0032	0·0034	0·0032	0·0032	0·0034	0·0034	0·0032	0·0032	0·0034	0·0033	0·0032	0·0034	0·0034
TOTAL	0·5944	0·6000	0·6377	0·6049	0·6000	0·6377	0·6377	0·5966	0·6023	0·6395	0·6070	0·6023	0·6395	0·6395
Customs Duty	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875	0·1875
Wharfage	0·0104	0·0071	0·0210	0·0118	0·0104	0·0116	0·0210	0·0104	0·0071	0·0210	0·0118	0·0104	0·0116	0·0210
Other (Statutory) Charges	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018	0·0018
Landed Cost	0·7941	0·7964	0·8480	0·8060	0·7997	0·8386	0·8480	0·7963	0·7987	0·8498	0·8081	0·8020	0·8404	0·8498

STATEMENT No 9—I

Statement showing the Landed cost of Petroleum Products at the various Ports since 1st April 1958.

Product High speed Diesel Oil per Imp. Gallon in Rupees.

Date	Abadan							Rastanura							
	Bombay	Okha	Calcutta	Cochin	Kandla	Madras	Vizag.	Bombay	Okha	Calcutta	Cochin	Kandla	Madras	Vizag.
1-4-58 *to* 30-6-58											1-4-58 *to* 30-6-58			
F.O.B.	0·5104	0·5104	0·5104	0·5104	0·5104	0·5104	0·5104	0·5218	0·5218	0·5218	0·5218	0·5218	0·5218	0·5218
Freight	0·0520	0·0582	0·0992	0·0635	0·0582	0·0992	0·0992	0·0424	0·0485	0·0889	0·0537	0·0485	0·0889	0·0889
Insurance @ 0·0755% on F.O.B.	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004
Ocean Loss @ 0·31% on C.I.F.	0·0017	0·0018	0·0019	0·0013	0·0018	0·0019	0·0019	0·0018	0·0018	0·0019	0·0018	0·0018	0·0019	0·0019
Total	0·5645	0·5708	0·6119	0·5761	0·5708	0·6119	0·6119	0·5664	0·5725	0·6130	0·5777	0·5725	0·6130	0·6130
Customs Duty	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000
Wharfage	0·0260	0·0076	0·0221	0·0073	0·0104	0·0130	0·0122	0·0260	0·0076	0·0221	0·0073	0·0104	0·0130	0·0122
Other Statutory Charges	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011
Landed Cost	1·1916	1·1795	1·2351	1·1845	1·1823	1·2260	1·2252	1·1925	1·1812	1·2362	1·1861	1·1840	1.2271	1·2263
1-7-58 *to* 11-8-58											1-7-58 *to* 11-8-58			
F.O.B.	0·5104	0·5104	0·5104	0·5104	0·5104	0·5104	0·5104	0·5218	0·5218	0·5218	0·5218	0·5218	0·5218	0·5218
Freight	0·0518	0·0580	0·0987	0·0633	0·0580	0·0987	0·0987	0·0422	0·0483	0·0885	0·0534	0·0483	0·0885	0·0885
Insurance @ 0·0755% on F.O.B.	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004
Ocean Loss @ 0·31% on C.I.F.	0·0017	0·0018	0·0019	0·0018	0·0018	0·0019	0·0019	0·0017	0·0018	0·0019	0·0018	0·0018	0·0019	0·0019
Total	0·5643	0·5706	0·0114	0·5759	0·5706	0·6114	0·6114	0·5661	0·5723	0·6126	0·5774	0·5723	0·6126	0·6126
Customs Duty	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000
Wharfage	0·0260	0·0076	0·0221	0·0093	0·0104	0·0130	0·0122	0·0260	0·0076	0·0221	0·0093	0·0104	0·0130	0·0122
Other Statutory Charges	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011
Landed Cost	1·1914	1·1793	1·2346	1·1863	1·1821	1·2255	1·2247	1·1932	1·1810	1·2358	1·1878	1·1838	1·2267	1·2259

21-8-58 *to* 30-9-58

								12-8-58 *to* 30-9-58						
F.O.B.	0·5275	0·5275	0·5275	0·5275	0·5275	0·5275	0·5275	0·5388	0·5388	0·5388	0·5388	0·5388	0·5388	0·5388
Freight	0·0518	0·0580	0·0987	0·0633	0·0580	0·0987	0·0987	0·0422	0·0483	0·0385	0·0534	0·0483	0·0885	0·0885
Insurance @ 0·0755% on F.O.B.	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004
Ocean Loss @ 0·32% on C.I.F.	0·0018	0·0018	0·0019	0·0018	0·0013	0·0019	0·0019	0·0018	0·0018	0·0019	0·0018	0·0018	0·0019	0·0019
TOTAL	0·5815	0·5877	0·6285	0·5930	0.5877	0·6285	0·6285	0·5832	0·5893	0·6296	0·5944	0·5893	0·6296	0·6296
Customs Duty	0·6000	0·6000	0·6000	0·6000	0.6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0.6000	0·6000
Wharfage	0·0260	0·0076	0·0221	0·0093	0.0104	0·0130	0·0122	0·0260	0·0076	0·0221	0·0093	0·0104	0·0130	0·0122
Other Statutory Charges	0·0011	0·0011	0·0011	0·0011	0.0011	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011
Landed Cost	1·2086	1·1964	1·2517	1·2034	0.1992	1·2426	1·2418	1·2103	1·1980	1·2528	1·2048	1·2008	1.2437	1·2429

1-10-58 *to* 31-12-58

								1-10-58 *to* 31-12-58						
F.O.B.	0·5275	0·5275	0·5275	0·5275	0.5275	0·5275	0·5275	0·5388	0·5388	0·5388	0·5388	0·5388	0·5388	0·5388
Freight	0·0509	0·0569	0·0967	0·0621	0.0569	0·0967	0·0967	0·0413	0·0473	0·0866	0·0523	0·0473	0·0866	0·0866
Insurance @ 0·755% on F.O.B.	0·0004	0·0004	0·0004	0·0004	0.0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004
Ocean Loss @ 0·31% on C.I.F.	0·0018	0·0018	0·0019	0·0018	0.0018	0·0019	0·0019	0·0018	0·0018	0·0019	0·0018	0·0018	0·0019	0·0019
TOTAL	0·5806	0·5866	0·6265	0·5918	0.5866	0·6265	0·6265	0·5823	0·5883	0·6277	0·5933	0·5883	0·6277	0·6277
Customs Duty	0·6000	0·6000	0·6000	0·6000	0.6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000
Wharfage	0·0260	0·0076	0·0221	0·0093	0.0104	0·0130	0·0122	0·0260	0·0076	0·0221	0·0093	0·0104	0·0130	0·0122
Other Statutory Charges	0·0011	0·0011	0·0011	0·0011	0.0011	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011	0·0011
Landed Cost	1·2077	1·1953	1·2497	1·2022	1·1981	1·2406	1·2393	1·2094	1·1970	1·2509	1·2037	1·1998	1·2418	1·2410

STATEMENT No. 9-J

Statement showing the Landed Cost of Petroleum Products at the various ports since 1st April, 1958.

PRODUCT : Vapourising oil per Imp. Gallon in Rs.

(Landed Cost ex Abadan only given since there is no quotation at Ras-Tanura)

Date	Abadan							Abadan						
	Bombay	Okha	Calcutta	Cochin	Kandla	Vizag.	Madras	Bombay	Okha	Calcutta	Cochin	Kandla	Madras	Vizag.
1-4-58 *to* 30-6-58								1-10-58 *to* 9-12-58						
F.O.B.	0·5145	0·5145	0·5145	0·5145	0·5145	0·5145	0·5145	0·5275	0·5275	0·5275	0·5275	0·5275	0·5275	0·5275
Freight	0·0509	0·0570	0·0971	0·0622	0·0570	0·0971	0·0971	0·0499	0·0557	0·0947	0·0608	0·0557	0·0947	0·0947
Insurance @ 0·0755% on F.O.B	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004
Ocean Loss @ 0·35% on C.I.F.	0·0020	0·0020	0·0021	0·0020	0·0020	0·0021	0·0021	0·0020	0·0020	0·0022	0·0021	0·0020	0·0022	0·0022
TOTAL :	0·5678	0·5739	0·6141	0·5791	0·5739	0·6141	0·6141	0·5798	0·5856	0·6248	0·5908	0·5856	0·6248	0·6248
Customs Duty	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000
Wharfage	0·0104	0·0104	0·0215	0·0117	0·0104	0·0107	0·0116	0·0104	0·0104	0·0215	0·0118	0·0104	0·0107	0·0116
Other Statutory Charges	0·0017	0·0017	0·0017	0·0017	0·0017	0·0017	0·0017	0·0017	0·0017	0·0017	0·0017	0·0017	0·0017	0·0017
Landed Cost	1·1799	1·1860	1·2373	1·1925	1·1860	1·2265	1·2274	1·1919	1·1977	1·2480	1·2043	1·1977	1·2372	1·2381
1-7-58 *to* 15-7-58								10-12-58 *to* 31-12-58						
F.O.B.	0·5145	0·5145	0·5145	0·5145	0·5145	0·5145	0·5145	0·5315	0·5315	0·5315	0·5315	0·5315	0·5315	0·5315
Freight	0·0507	0·0568	0·0966	0·0620	0·0568	0·0966	0·0966	0·0499	0·0557	0·0947	0·0608	0·0557	0·0947	0·0947
Insurance @ 0·0755% of FOB.	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004
Ocean Loss @ ·035% on CIF	0·0020	0·0020	0·0021	0·0020	0·0020	0·0020	0·0021	0·0020	0·0021	0·0022	0·0021	0·0021	0·0022	0·0022
TOTAL :	0·5676	0·5737	0·6136	0·5789	0·5737	0·6136	0·6136	0·5838	0·5897	0·6283	0·5948	0·5897	0·6288	0·6288
Customs Duty	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000
Wharfage	0·0104	0·0104	0·0215	0·0118	0·0104	0·0107	0·0116	0·0104	0·0104	0·0215	0·0118	0·0104	0·0107	0·0116
Other Statutory Charges	0·0017	0·0017	0·0017	0·0017	0·0017	0·0017	0·0017	0·0017	0·0017	0·0017	0·0017	0·0017	0·0017	0·0017
Landed Cost	1·1797	11·1858	1·2368	1·1924	1·1858	1·2260	1·2269	1·1959	1·2018	1·2520	1·2083	1·2018	1·2412	1·2421

16-7-58 *to* 30-9-58

F.O.B.	0·5258	0·5258	0·5258	0·5258	0·5258	0·5258	0·5258
Freight	0·0507	0·0568	0·0966	0·0620	0·0568	0·0966	0·0966
Insurance @ 0·0755% on FOB	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004	0·0004
Ocean Loss @ 0·35% on CIF	0·0020	0·0020	0·0022	0·0021	0·0020	0·0022	0·0022
TOTAL :	0·5789	0·5850	0·6250	0·5903	0·5850	0·6250	0·6250
Customs Duty	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000	0·6000
Wharfage	0·0104	0·0104	0·0215	0·0118	0·0104	0·0107	0·0116
Other Statutory Charges	0·0017	0·0017	0·0017	0·0017	0·0017	0·0017	0·0017
Landed Cost	1·1910	1·1971	1.2482	1·2038	1·1971	1·2374	1·2383

STATEMENT NO. 9-K

Statement showing the landed cost of Petroleum Products at the various ports since 1st April, 1958

Product : Furnace Oil per ton in Rupees

Price Per Ton Rupees.

Date	Abadan							Rastanura						
	Bombay	Okha	Calcutta	Cochin	Kandla	Vizag.	Madras	Bombay	Okha	Calcutta	Cochin	Kandla	Madras	Vizag.
1-4-58 *to* 30-6-58								1-4-58 *to* 30-6-58						
F.O.B.	65·60	65·60	65·60	65·60	65·60	65·60	65·60	68·80	68·80	68·80	68·80	68·80	68·80	68·80
Freight	14·13	15·81	26·94	17·26	15·81	26·94	26·94	11·52	13·19	14·15	14·58	13·19	24·15	24·15
Insurance @ 0·0755%on F.O.B.	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05
Ocean Loss @ 0·11% on C.I.F.	0·09	0·09	0·10	0·09	0·09	0·10	0·10	0·09	0·09	0·10	0·09	0·09	0·10	0·10
TOTAL	79·87	81·55	92·69	83·00	81·55	92·69	92·69	80·46	82·13	93·10	83·52	82·13	93·10	93·10
Customs Duty	29·40	29·40	29·40	29·40	29·40	29·40	29·40	29·40	29·40	29·40	29·40	29·40	29·4	29·40
Wharfage	6·17	1·35	5·69	2·00	2·47	3·00	3·20	6·17	1·35	5·69	2·00	2·47	3·20	3·00
Other Statutory charges	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06
Landed Cost	115·50	112·36	127·84	114·46	113·48	125·15	125·35	116·09	112·94	128·25	114·98	114·06	125·76	125·56
1-7-58 *to* 19-9-58								1-7-58 *to* 22-9-58						
F.O.B.	65·60	65·60	65·60	65·60	65·60	65·60	65·60	68·80	68·80	68·80	68·80	68·80	68·80	68·80
Freight	14·08	15·75	26·82	17·20	15·75	26·82	26·82	11·46	13·13	24·04	14·52	13·13	24·04	24·04
Insurance @ 0·0755% on F.O.B.	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05
Ocean Loss @ 0·11% on C.I.F.	0·09	0·09	0·10	0·09	0·09	0·10	0·10	0·09	0·09	0·10	0·09	0·09	0·10	0·10
TOTAL	79·82	81·49	92·57	82·94	81·49	92·57	92·57	80·40	82·07	92·99	83·46	82·07	92·99	92·99
Customs Duty	29·40	29·40	29·40	29·40	29·40	29·40	29·40	29·40	29·40	29·40	29·40	29·40	29·40	29·40
Wharfage	6·17	1·35	5·69	2·50	2·47	3·00	3·20	6·17	1·35	5·69	2·50	2·47	3·20	3·00
Other statutory charges	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06
Landed Cost	115·45	112·30	127·72	114·90	113·42	125·03	125·23	116·03	112·88	128·14	115·42	114·00	125·65	125·45

20-9-58 to 30-9-58									*23-9-58 to 30-9-58*					
F.O.B.	60·80	60·80	60·80	60·80	60·80	60·80	60·80	64·00	64·00	64·00	64·00	64·00	64·00	64·00
Freight	14·08	15·75	26·82	17·20	15·75	26·82	26·82	11·46	13·13	24·04	14·52	13·13	24·04	24·04
Insurance @ 0·0755% on F.O.B.	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05
Ocean Loss @ 0·11% on C.I.F.	0·08	0·08	0·10	0·09	0·08	0·10	0·10	0·08	0·08	0·10	0·09	0·08	0·10	0·10
TOTAL	75·01	76·68	87·77	78·14	76·68	87·77	87·77	75·59	77·26	88·19	78·66	77·26	88·19	88·19
Customs Duty	29·40	29·40	29·40	29·40	29·40	29·40	29·40	29·40	29·40	29·40	29·40	29·40	29·40	29·40
Wharfage	6·17	1·35	5·69	2·50	2·47	3·00	3·20	6·17	1·35	5·69	2·50	2·47	3·20	3·00
Other Statutory Charges	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06
Landed Cost	110·64	107·49	122·92	110·10	108·61	120·23	120·43	111·22	108·07	123·34	110·62	109·19	120·85	120·65
1-1-58 to 31-12-59									*1-10-58 to 31-12-58*					
F.O.B.	60·80	60·80	60·80	60·80	60·80	60·80	60·80	64·00	64·00	64·00	64·00	64·00	64·00	64·00
Freight	13·84	15·46	26·28	16·88	15·46	26·28	26·28	11·22	12·85	23·53	14·20	12·85	23·53	23·53
Insurance @ 0·0755% on F.O.B.	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05	0·05
Ocean Loss @ 0·21% on C.I.F.	0·08	0·08	0·10	0·09	0·08	0·10	0·10	0·08	0·08	0·10	0·09	0·08	0·10	0·10
TOTAL	74·77	76·39	87·23	77·82	76·39	87·23	87·23	75·35	76·98	87·68	78·34	76·98	87·68	87·68
Customs Duty	29·40	29·40	29·40	29·40	29·40	29·40	29·40	29·40	29·40	29·40	29·40	29·40	29·40	29·40
Wharfage	6·17	1·35	5·69	2·50	2·47	3·00	3·20	6·17	1·35	5·69	2·50	2·47	3·20	3·00
Other Statutory Charges	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06	0·06
Landed Cost	110·40	107·20	122·38	109·78	108·32	119·69	119·89	110·98	107·79	122·83	110·30	108·91	120·34	120·14

STATEMENT NO. 9-L

Statement showing the landed cost of Petroleum products at the various ports since 1st April, 1958.

Product :— Light Diesel Oil per Ton/in Rupees.

Date	Abadan							Rastanura						
	Bombay	Okha	Calcutta	Cochin	Kandla	Vizag.	Madras	Bombay	Okha	Calcutta	Cochin	Kandla	Vizag.	Madras
1-4-58 *to* 30-6-58										1-4-58 to 30-6-58				
F.O.B.	126·1833	126·1833	126·1833	126 1833	126·1833	126·1833	126·1833	129·2812	129·2812	129·2812	129·2812	129·2812	129·2812	129·2812
Freight	14·1300	15·8100	26·9400	17·2600	15·8100	26·9400	26·9400	11·5200	13·1900	24·1500	14·5800	13.1900	24·1500	24·1500
Insurance @ 0·755% on F.O.B.	0·0953	0·0953	0·0953	0·0953	0·0953	0.0953	0·0953	0·0976	0·0976	0·0976	0·0976	0·0976	0·0976	0·0976
Ocean loss @ 0·44 % on C.I.F.	0·6178	0·6252	0·6742	0·6316	0·6252	0·6742	0·6742	0·6200	0·6273	0·6755	0·6334	0·6273	0·6755	0·6755
TOTAL	141·0264	142·7138	153·8928	144·1702	142·7138	153·8928	153·8928	141·5188	143·1961	154·2043	144·5922	143·1961	154·2043	154·2043
Customs Duty	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000
Wharfage	6·7860	1·3572	5·8203	2·0358	2·7144	3·1842	3·3930	6·7860	1·3572	5·8203	2·0358	2·7144	3·1842	3·3930
Other Statutory Charges	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973
Landed Cost	213·6097 213·61	209·8683 209·87	225·5104 225·51	212·0033 212·00	211·2255 211·23	222·8743 222·87	223·0831 223·08	214·1021 214·10	210·3506 210·35	225·8219 225·82	212·4253 212·43	211·7078 211·71	223·1858 223·19	223·3946 223·39
1-7-58 *to* 11-8-58										1-7-58 *to* 10-8-58				
F.O.B.	126·1833	126·1833	126·1833	126·1833	126·1833	126·1833	126·1833	129·2812	129·2812	129·2812	129·2812	129·2812	129·2812	129·2812
Freight	14·0800	15·7500	26·8200	17·2000	15·7500	26·8200	26·8200	11·4600	13·1300	24·0400	14·5200	13·1300	24·0400	24·0400
Insurance @ 0·0755% on F.O.B.	0·0953	0·0953	0·0953	0·0953	0·0953	0·0953	0·0953	0·0976	0·0976	0·0976	0·0976	0·0976	0·0976	0·0976
Ocean Loss @ 0·44% on C.I.F.	0·6176	0·6249	0·6736	0·6313	0·6249	0·6736	0·6736	0·6197	0·6270	0·6750	0·6332	0·6270	0·6750	0·6750
TOTAL	140·9762	142·6535	153·7722	144·1099	142·6535	153·7722	153·7722	141·4585	143·1358	154·0938	144·5320	143·1358	154·0938	154·0938

Customs Duty	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000
Wharfage	6·7860	1·3572	5·8203	2·5000	2·7144	3·1842	3·3930	6·7860	1·3572	5·8203	2·5000	2·7144	3·1842	3·3930
Other Statutory Charges	0·1973	0·1973	0·1973	1·0973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973
Landed Cost	213·5595 213·56	209·8080 209·81	225·3898 225·39	212·4072 212·41	211·1652 211·17	222·7537 222·75	222·9625 222·96	214·0418 214·04	210·2908 210·29	225·7114 225·71	212·8293 212·83	211·6475 211·65	223·0753 223·08	223·2841 223·28
12-8-58 to 19-9-58								*11-8-58 to 22-9-58*						
F.O.B.	130·3379	130·3379	130·3379	130·3379	130·3379	130·3379	130·3379	133·4359	133·4359	133·4359	133·4359	133·4359	133·4359	133·4359
Freight	14·0800	15·7500	26·8200	17·2000	15·7500	26·8200	26·8200	11·4600	13·1300	24·0400	14·5200	13·1300	24·0400	24·0400
Insurance @ 0·0755% on F.O.B.	0·0984	0·0984	0·0984	0·0984	0·0984	0·0984	0·0984	0·1007	0·1007	0·1007	0·1007	0·1007	0·1007	0·1007
Ocean Loss @ 0·44% on C.I.F.	0·6359	0·6432	0·6919	0·6496	0·6432	0·6919	0·6919	0·6380	0·6453	0·6933	0·6514	0·6453	0·6933	0·6933
TOTAL	145·1522	146·8295	157·9482	148·2859	146·8295	157·9482	157·9482	145·6346	147·2119	158·2699	148·7080	147·3119	158·2699	158·2699
Customs Duty	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000
Wharfage	6·7860	1·3572	5·8203	2·5000	2·7144	3·1842	3·3930	6·7860	1·3572	5·8203	2·5000	2·7144	3·1842	3·3930
Other Statutory Charges	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973
Landed Cost	217·7355 217·74	213·9840 213·98	229·5658 229·57	216·5832 216·58	215·3412 215·34	226·9297 226·93	227·1385 227·14	218·2179 218·22	214·4644 214·46	229·8875 229·89	217·0053 217·00	215·8236 215·82	227·2514 227·25	227·4602 227·46
20-9-58 to 30-9-58								*23-9-58 to 30-9-58*						
F. O. B.	129·8579	129·8579	129·8579	129·8579	129·8579	129·8579	129·8579	132·9559	132·9559	132·9559	132·9559	132·9559	132·9559	132·9559
Freight	14·0800	15·7500	26·8200	17·2800	15·7500	26·8200	26·8200	11·4600	13·1300	24·0400	14·5200	13·1300	24·0400	24·0400
Insurance @ 0·0755% on F. O. B.	0·0980	0·0980	0·0980	0·0980	0·0980	0·0980	0·0980	0·1004	0·1004	0·1004	0·1004	0·1004	0·1004	0·1004
Ocean Loss @ 0·44% on C. I. F.	0·6338	0·6411	0·6898	0·6475	0·6411	0·6898	0·6898	0·6359	0·6432	0·6912	0·6493	0·6432	0·6912	0·6912
TOTAL	144·6697	146·3470	157·4657	147·8034	146·3470	157·4657	157·4657	145·1522	146·8295	157·7875	148·2256	146·8295	157·7875	157·7875
Customs Duty	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000
Wharfage	6·7860	1·3572	5·8203	2·5000	2·7144	3·1842	3·3930	6·7860	1·3572	5·8203	2·5000	2·7144	3·1842	3·3930
Other Statutory Charges	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973
Landed Cost	217·2530 217·25	213·5015 213·50	229·0833 229·08	216·1007 216·10	214·8587 214·86	226·4472 226·45	226·6560 226·66	217·7355 217·74	213·9840 213·98	229·4051 229·41	216·5229 216·52	215·3412 215·34	226·7690 226·77	226·9778 226·98

STATEMENT No. 9-L—contd.

Date	Abadan							Ras tanura						
	Bombay	Okha	Calcutta	Cochin	Kandla	Vizag.	Madras	Bombay	Okha	Calcutta	Cochin	Kandla	Vizag.	Madras
1-10-58 *to* 31-12-58										1-10-58 *to* 31-12-58				
F. O. B. . .	129·8579	129·8579	129·8579	129·8579	129·8579	129·8579	129·8579	132·9559	132·9559	132·9559	132·9559	132·9559	132·9559	132·9559
Freight . .	13·8400	15·4600	26·2800	16·8800	15·4600	26·2800	26·2800	11·2200	12·8500	23·5300	14·2000	12·8500	23·5300	23·5300
Insurance @ 0·0755% on F. O. B.	0·0980	0·0980	0·0980	0·0980	0·0980	0·0980	0·0980	0·1004	0·1004	0·1004	0·1004	0·1004	0·1004	0·1004
Ocean Loss @ 0·44% on C. I. F. . .	0·6327	0·6398	0·6874	0·6461	0·6398	0·6874	0·6874	0·6348	0·6420	0·6890	0·6479	0·6420	0·6890	0·6890
TOTAL .	144·4286	146·0557	156·9233	147·4820	146·0557	156·9233	156·9233	144·9111	146·5483	157·2753	147·9042	146·5483	157·2753	157·2753
Customs Duty .	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000	65·6000
Wharfage . .	6·7860	1·3572	5·8203	2·5000	2·7144	3·1842	3·3930	6·7860	1·3572	5·8203	2·5000	2·7144	3·1842	3·3930
Other Statutory Charges . .	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973	0·1973
Landed Cost .	217·0119 217·01	213·2102 213·21	228·5409 228·54	215·7793 215·78	214·5674 214·57	225·9048 225·90	226·1136 226·119	217·4944 217·49	213·7028 213·70	228·8929 228·89	216·2015 216·20	215·0600 215·06	226·2568 226·26	226·4656 226·47

STATEMENT No. 10

Statement showing the Comparative Marketing & Distribution costs of Petroleum Products for the years 1956 and 1957.

Product	Functional Heads	1956					1957				
		Burmah Shell	Stanvac	Caltex	I. B. P.	B. O. C. (IT)	Burmah Shell	Stanvac	Caltex	I. B. P.	B. O. C. (IT)
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs	Rs.	Rs.	Rs.
1. *Motor Spirit*	*I. G.*										
	Installation/Terminal expenses	0·0608	0·0513	0·0427	0·0412	0·0101	0·0568	0·0485	0·0440	0·0449	0·0109
	Administration Expenses	0·0919	0·1282	0·1233	0·0724	0·0449	0·0956	0·1127	0·1244	0·0738	0·0441
	Distribution Expenses	0·1695	0·1467	0·1413	0·1217	0·0374	0·1743	0·1605	0·1481	0·1251	0·0436
	Depreciation	0·0307	0·0379	0·0394	0·0225	0·0083	0·0297	0·0395	0·0408	0·0293	0·0095
	TOTAL	0·3529	0·3641	0·3467	0·2578	0·1007	0·3564	0·3612	0·3573	0·2731	0·1081
2. *Kerosene*	8. *I. G.*										
	Installation/Terminal expenses	0·2723	0·2428	0·3266	0·2787	0·0952	0·2470	0·2147	0·3603	0·3071	0·1023
	Administration expenses	0·3875	0·5411	0·5443	0·3107	0·2320	0·3802	0·4575	0·5276	0·3041	0·2197
	Distribution expenses	0·3620	0·2788	0·3502	0·2526	0·0990	0·3835	0·3217	0·3771	0·2438	0·1058
	Depreciation	0·0534	0·0582	0·0818	0·0328	0·0469	0·0558	0·0581	0·0884	0·0356	0·0569
	TOTAL	1·0752	1·1209	1·3029	0·8748	0·4731	1·0665	1·0520	1·3534	0·8906	0·4847
3. *Aviation Spirit*	*I. G.*										
	Installation/Terminal Expenses	0·0715	0·0910	0·1259	..	..	0·0775	0·0826	0·1213	..	..
	Administration expenses	0·1013	0·1574	0·1315	..	0·0152	0·1019	0·1360	0·1311	..	0·0163
	Distribution expenses	0·1010	0·0190	..	..	0·1394	0·1058	0·0218	..	..	0·1445
	Airport charges	0·1544	0·1768	..	..	..	0·1607	0·2193	..	..	..
	Depreciation	0·0287	0·0259	0·0109	..	0·0057	0·0340	0·0501	0·0092	..	0·0064
	TOTAL	0·4569	0·4701	0·2683	..	0·1603	0·4799	0·5098	0·2616	..	0·1672
4. *Aviation Turbo Fuel*	*I. G.*										
	Installation/Terminal expenses	0·0216	0·0259	0·0116	..	..	0·0230	0·0137	0·0109	..	..
	Administration expenses	0·0410	0·0612	0·0502	..	..	0·0400	0·0477	0·0487	..	..
	Distribution expenses	0·0822	0·0295	..	..	..	0·0531	0·0279	..	..	..
	Airport charges	0·1605	0·1088	..	..	..	0·1184	0·2087	..	..	..
	Depreciation	0·0327	0·0206	0·0041	..	..	0·0154	0·0468	0·0034	..	..
	TOTAL	0·3380	0·2460	0·0659	..	..	0·2499	0·3448	0·0630	..	..

STATEMENT No. 10—(*contd.*)

Products	Functional Heads	1956					1957				
		Burmah Shell	Stanvac	Caltex	I.B.P.	B.O.C. (IT)	Burmah Shell	Stanvac	Caltex	I.B.P.	B.O.C.(IT)
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
5. *High Speed Diesel Oil*	*I.G.*										
	Installation/terminal expenses	0·0272	0·0232	0·0173	0·0541	0·0119	0·0256	0·0200	0·0202	0·0505	0·0105
	Administration expenses	0·0524	0·0773	0·0751	0·0468	0·0252	0·0596	0·0714	0·0785	0·0483	0·0257
	Distribution expenses	0·0953	0·0743	0·0976	0·0789	0·0100	0·1115	0·0933	0·0994	0·0833	0·0118
	Depreciation	0·0193	0·0250	0·0308	0·0268	0·0071	0·0193	0·0296	0·0348	0·0217	0·0079
	TOTAL	0·1942	0·1998	0·2208	0·2066	0·0542	0·2160	0·2143	0·2329	0·2038	0·0559
6. *Vaporising Oil*	*I.G.*										
	Installation/Terminal expenses	0·0584	0·0695	0·0514	..	0·0264	0·0685	0·0360	0·0297	..	0·0254
	Administration expenses	0·0583	0·0846	0·0829	..	0·0264	0·0613	0·0753	0·0848	..	0·0267
	Distribution expenses	0·0626	0·0443	0·0525	..	0·0104	0·0734	0·0483	0·0738	..	0·0130
	Depreciation	0·0091	0·0111	0·0147	..	0·0776	0·0111	0·0122	0·0190	..	0·0094
	TOTAL	0·1884	0·2095	0·2015	..	0·0708	0·2143	0·1718	0·2073	..	0·0745
7. *Furnace Oil*	*Ton*										
	Installation/Terminal expenses	3·3749	2·3759	2·1625	..		2·8942	2·4811	2·3278	..	
	Administration expenses	5·0757	7·8096	7·3591	..		5·0540	6·9384	7·0241	..	
	Distribution expenses	6·8853	5·2425	0·9557	..		7·6223	5·4227	1·1618	..	
	Depreciation	1·0507	1·6343	0·9167	..		0·8537	1·4647	2·0889	..	
	TOTAL	16·3866	17·0623	11·3940	..		16·4242	16·3069	12·6026	..	
8. *Light Diesel Oil*	*Ton*										
	Installation/Terminal expenses	8·2171	3·8689	5·3477	3·8318	3·0410	7·8877	5·5281	5·1682	0·9272	2·7235
	Administration expenses	10·3228	14·5425	15·0418	10·1402	5·1776	10·7673	12·8427	14·9942	9·9006	5·0837
	Distribution expenses	0·3330	4·4280	8·7714	11·8224	3·0208	10·1554	7·0010	8·8080	5·4437	2·7722
	Depreciation	1·7453	1·1736	2·1074	0·4206	1·3008	1·8988	1·6156	2·5484	0·2914	1·5188
	TOTAL	29·6182	24·0130	31·2683	26·2150	12·5402	30·7092	26·9874	31·5188	16·5629	12·0982

9. *Motor Spirit and H.S.D. Oil Combined*	*I.G.*										
	Installation/Terminal expenses	0·0485	0·0417	0·0339	0·0829	0·0104	0·0439	0·0366	0·0336	0·0856	0·0107
	Administration expenses	0·0774	0·1108	0·1065	0·0705	0·0416	0·0808	0·0956	0·1044	0·0701	0·0398
	Distribution expenses	0·1435	0·1227	0·1264	0·1187	0·0355	0·1477	0·1332	0·1273	0·1224	0·0401
	Depreciation	0·0266	0·0336	0·0363	0·0234	0·0083	0·0254	0·0354	0·0382	0·0286	0·0094
	TOTAL	0·2960	0·3088	0·3031	0·2955	0·0958	0·2978	0·3008	0·3035	0·3067	0·1000
10. *Aviation Spirit and A.T.F. combined*	*I.G.*										
	Installation/Terminal expenses	0·0613	0·0740	0·0612	..	..	0·0543	0·0596	0·0280	..	..
	Administration expenses	0·0889	0·1322	0·0854	..	..	0·0756	0·1065	0·0614	..	..
	Distribution expenses	0·0994	0·0213	..	..	..	0·0891	0·0227	..	..	..
	Airport charges	0·1550	0·1754	..	..	..	0·1526	0·2191	..	..	..
	Depreciation	0·0284	0·0249	0·0071	..	..	0·0289	0·0482	0·0043	..	..
	TOTAL	0·4330	0·4278	0·1537	..	..	0·4005	0·4561	0·0937	..	..

STATEMENT No. 11

Comparative statement showing the operative results of oil companies in India

Years	Net Fixed Assets	Working Capital	Capital employed	Profit earned	Turnover Realisation	Volume Sales	% of Profit on Capital employed	Ratio to Turnover			Incidence per Unit of Sale Volume of		
								Net Fixed Assets	Working Capital	Capital employed	Net Fixed Assets	Working Capital	Capital employed
	Rs. (1000)	Rs. (1000)	Rs. (1000)	Rs. (1000)	Rs. (1000)	Gallons (1000)	%	%	%	%	Rs.	Rs.	Rs.
A. *Burmah Shell*													
1955	1,05,342	2,85,455	3,90,797	88,001	10,09,678	7,01,990	22·52	10·43	28·27	38·71	0·1501	0·4066	0·5567
1956	1,19,864	3,31,220	4,51,084	85,776	11,02,537	7,48,191	19·02	10·87	30·04	40·91	0·1602	0·4427	0·6029
1957	1,30,121	3,81,186	5,11,307	80,521	12,52,600	8,04,458	15·75	10·39	30·43	40·82	0·1617	0·4738	0·6355
Wtd. 1955/57	3,55,327	9,97,861	13,53,188	2,54,298	33,64,815	22,54,639	18·79	10·56	29·66	40·22	0·1576	0·4226	0·6002
B. *Standard Vacuum Oil Co.*													
1951	21,655	52,425	74,080	21,191	3,56,137	2,49,232	28·61	6·08	14·72	20·80	0·0869	0·2103	0·2972
1952	28,747	83,594	1,12,341	20,797	3,70,523	2,36,187	18·51	7·76	22·56	30·32	0·1217	0·3539	0·4756
1953	41,570	57,507	99,077	33,681	3,86,753	2,50,451	33·99	10·75	14·87	25·62	0·1660	0·2296	0·3956
1954	48,944	75,767	1,24,711	40,821	4,02,150	2,61,221	32·73	12·17	18·84	31·01	0·1874	0·2900	0·4774
1955	56,058	96,988	1,53,046	32,201	4,39,778	3,04,043	21·04	12·75	22·05	34·80	0·1844	0·3190	0·5034
1956	63,556	90,790	1,54,346	31,030	4,91,323	3,33,362	20·10	12·94	18·47	31·41	0·1907	0·2723	0·4630
1957	67,936	85,765	1,53,701	32,895	5,61,409	3,80,356	21·40	12·10	15·28	27·38	0·1786	0.2255	0·4041
Wtd. 1951/57	3,28,466	5,42,836	8,71,302	2,12,616	30,08,073	20,14,852	24·40	10·92	18·05	28·97	0·1630	0·2694	0·4324
C. *Caltex (India) Limited*													
1948	5,846	1,408	7,254	13,899	1,04,711	83,732	191·60	5·58	1·34	6·92	0·0698	0·0168	0·0866
1951	8,314	10,171	18,485	11,855	1,89,309	1,24,074	64·13	4·39	5·37	9·76	0·0670	0·0820	0·1490
1952	14,466	15,209	29,675	13,185	2,06,821	1,28,477	44·43	6·99	7·35	14·34	0·1126	0·1184	0.2310
1953	24,178	19,338	43,516	16,270	2,26,079	1,43,283	37·39	10·69	8·55	19·24	0·1687	0·1350	0.3037
1954	32,064	11,592	43,656	27,090	2,44,250	1,55,046	62·05	13·13	4·75	17·88	0·2068	0·0748	0·2816
1955	43,784	14,727	58,511	17,965	2,71,275	1,80,497	30·70	16·14	5·43	21·57	0·2426	0.0816	0·3242
1956	47,862	32,549	80,411	11,525	3,06,086	1,97,987	14·33	15·64	10·63	26·27	0·2417	0·1644	0·4061
1957	54,275	65,099	1,19,374	9,224	3,66,881	2,41,336	7·73	14·80	17·74	32·54	0·2249	0·2697	0·4946
Wtd. 1948/57	2,30,789	1,70,093	4,00,882	1,21,013	19,15,412	12,54,432	30·19	12·05	8·88	20·93	0·1840	0·1356	0·3196
Wtd. 1951/57	2,24,943	1,68,685	3,93,628	1,07,114	18,10,701	11,70,700	27·21	12·42	9·32	21·74	0·1921	0·1441	0·3362

1. *Ashland Refining Co., Kentucky*							2. *Standard Oil Co., New Jersy*						
1948	44,061	12,173	63,724	27·63	19·10	69·14	1948	..	..	..	..	..	..
1949	47,362	13,836	1,02,316	29·21	13·52	46·29	1949	..	..	..	..	..	..
1950	64,078	15,665	1,45,452	24·45	10·77	44·05	1950	34,60,020	..	38,32,000	..	..	90·30
1951	85,793	21,642	2,05,996	25·23	1051	41·65	1951	36,30,267	..	47,21,000	..	..	76·90
1952	1,07,598	11,930	2,29,500	11·09	5·20	46·88	1952	39,80,500	..	52,85,000	..	..	75·32
1953	1,21,242	16,817	2,38,362	13·87	7.06	50·86	1953	43,13,188	..	55,52,000	..	..	77·69
1954	1,20,041	12,001	2,27,947	10·00	5·26	52·66	1954	47,81,393	..	56,62,000	..	..	84·45
1955	1,19,178	20,014	2,45,881	16·79	88·14	48·47	1955	53,06,177	..	62,72,000	..	..	84·60
1956	1;23,416	26,753	2,79,950	20·68	9·56	44·09	1956	57,60,385	11,82,596	71,26,855	20·53	16·59	80·83
1957	1,31,436	31,777	3,20,249	24·18	9·92	41·04	1957	63,82,845	11,57,224	78,30,250	18·13	14·78	81·52
Wtd.	9,64,205	1,82,608	20,59,377	18·94	8·87	46·82	Wtd.	376,14,775	23,39,820	46,281,105	19·27	15·64	81·19
3. *Standard Oil Co., Ohio*							4. *Standard Oil Co., California*						
1948	1,80,077	..	2,34,564	..	..	76·77	1948	9,46,662	..	7,44,827	..	..	127·10
1949	1,83,046	..	219,011	..	..	83·58	1949	9,78,260	..	7,42,551	..	..	131·74
1950	1,92,443	..	2,48,985	..	..	77·29	1950	10,26,129	..	8,15,620	..	..	125·81
1951	2,12,904	..	2,76,163	..	..	77·09	1951	10,86,878	..	9,75,378	..	..	111·43
1952	2,29,533	..	2,82,506	..	..	81·25	1952	11,71,825	..	10,15,309	..	..	115·27
1953	2,36,727	..	3,17,180	..	..	63·03	1953	12,61,597	..	10,80,425	..	..	116·77
1954	2,44,583	..	3,04,372	..	..	80·36	1954	13,65,490	..	11,13,343	..	..	22·65
1955	2,52,779	..	3,39,706	..	..	74·41	1955	14,86,814	..	12,77,840	..	..	1[illegible]·35
1956	2,62,343	41,984	3,92,526	16·00	10·70	66·83	1956	16,28,101	2,21,027	14,52,521	13·58	15.22	1[illegible]·09
1957	2,88,791	30,348	4,19,046	10·68	7·36	68·92	1957	17,68,706	2,41,208	16,50,823	13·64	14·61	7·14
Wtd.	22,83,226	72,832	30,34,059	13·21	8·97	67·91	Wtd.	1,27,20,462	4,62,235	1,08,68,637	13·61	14·89	9·46
5. *Standard Oil Company Kenturcky*							6. *Secony Mobile Company*						
1956	79,702	22,996	2,84,173	28·85	8·09	28·05	1956	20,51,580	3,18,933	27,50,300	15·55	11·60	4·59
1957	81,545	23,557	3,01,541	28·89	7·81	27·04	1957	22,43,170	2,68,067	29,76,104	11·95	9·01	5·37
Wtd.	161,247	46,553	585,714	28·87	7.95	27·53	Wtd.	42,94,750	5,87,000	57,26,404	13·67	10·25	75·00
7. *Cosben Petroleum Corporation*													
1956	23,637	7,262	55,613	30·72	13.06	42·50							
1957	33,388	10,701	71,922	32·05	14·88	46·42							
Wtd.	57,025	17,963	1,27,535	31·50	14.08	44·71							

STATEMENT No 13

Statement showing the combined operating results of Distributing Company and Refinery

(Amounts in thousands of rupees)

	1955			1956			1957		
	Distributing Co. Burmah Shell Group	Refinery	TOTAL	Distributing Co. Burmah Shell Group	Refinery	Total	Distributing Co. Burmah Shell Group	Refinery	Total
(1) Burmah Shell									
A. Net fixed assets	1,05,342	2,08,627	3,13,969	1,19,864	2,24,310	3,44,174	1,30,121	2,18,780	2,43,901
Working Capital	2,85,455	82,087	3,67,542	3,31,220	74,287	4,05,507	3,81,186	1,09,212	4,90,398
Capital employed	3,90,797	2,90,714	6,81,511	4,51,084	2,98,597	7,49,681	5,11,307	3,22,992	8,34,299
B. Profit before taxation	88,001	54,080	1,42,081	85,770	1,00,686	1,86,462	80,521	63,233	1,43,754
C. B as a percentage on Capital employed .	22·52	18·60	20·84	19·02	33·72	24·87	15·75	19·58	17·23
(2) Standard Vacuum Oil Company									
A. Net fixed assets	56,058	1,16,865	1,72,923	63,556	1,15,326	1,78,88	67,936	1,12,645	1,80,585
Working Capital	96,988	—3,415	93,573	90,790	6,819	97,609	85,765	23,117	1,08,882
Capital employed	1,53,046	1,13,450	2,66,496	1,54,346	1,22,145	2,76,491	1,53,701	1,35,766	2,89,467
B. Profit before taxation	32,201	15,667	47,868	31,030	15,562	46,592	32,895	18,561	51,456
C. B as a percentage on Capital employed .	21·04	13·81	17·96	20·10	12·74	16·85	21·40	13·67	17·78
(3) Caltex and Coril									
A. Net fixed assets							54,275	1,33,805	1,88,080
Working capital							65,099	—2,664	62,433
Capital employed							1,19,874	1,31,141	2,50,415
B. Profits prior to taxation							9,224	10,508	19,732
C. B as a percentage on Capital employed .							7·73	8·01	7·88

GMGIPND—DME—13SMF—21-9-59—1500.